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[Distributed to the Council and
the Members of the League.]

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PREFACE.

In accordance with the decisions of the Council of December 14th, 1928, and June 17th, 1929, the Financial Committee appointed last year a special Delegation, consisting of some of its own members with the adjunction of certain experts of international authority "to examine into and report upon the causes of fluctuations in the purchasing power of gold and their effect on the economic life of the nations".

The Secretariat was asked in this connection to compile certain material which it was believed would form a useful basis for such study. A part of this material is presented herewith, namely, information bearing upon the legislation on gold in various countries of the world.

Seventy monetary systems are surveyed and their prescriptions bearing upon gold are arranged in the summary Notes under parallel headings, thus making them, it is hoped, easy of comparison. With few exceptions, all the legislation referred to in the Notes has been reproduced in full in Annexes.

An attempt has been made to compare in tabular form the chief points of information contained in the Notes. It is hoped that these Tables will be found useful, but at the same time it should be emphasised that they are not to be studied independently of the accompanying text, for, while their comparative brevity may be of certain advantage, it may equally lead to misunderstanding.

While the publication of this volume is authorised by the Financial Committee and by the Gold Delegation, neither of these bodies are responsible for the accuracy of the information contained in it.

Geneva, September 8th, 1930.

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Table I.
LEGAL REDEMPTION¹ REQUIREMENTS.

Country.	Redemption in gold ² .	Redemption in gold exchange ³ .	Redemption not definitely in a gold value or definitely not in a gold value ⁴ .	Redemption made by
<i>Albania</i>	Domestic gold coin.	Unspecified foreign gold exchange.	Cheques or tele- graphic pay- ments on current accounts with foreign banks in countries whose currency is stable and ne- gotiable in the leading markets.	National Bank of Albania.
<i>Algeria</i>	Gold bars.	Cheques on Paris, London or New York.		Bank of Algeria.
<i>Argentina</i>	(Gold coin) ⁵ .			Conversion Office.
<i>Australia</i>	Domestic gold coin.			Treasurer of the Com- monwealth ⁶ .
<i>Austria</i>			(Coins of legal currency) ⁷ .	Austrian National Bank.
<i>Belgian Congo</i> ...	Gold.	Cheques on Belgian centres.	Cheques on fo- reign centres. Coin having le- gal currency in the Colony.	Bank of the Belgian Congo.
<i>Belgium</i>	Domestic gold coin.	Unspecified foreign gold exchange.	Silver at its gold value.	National Bank of Belgium.
<i>Bolivia</i>	Domestic, Peru- vian or Uni- ted States gold coin, or gold bullion.	Drafts on New York or London.		Central Bank of Boli- via.
<i>Brazil</i>	Gold.			Stabilisation Office.
<i>British East Africa</i>		Draft or telegraphic transfers payable in sterling in Lon- don.		Currency Board.

Country.	Redemption in gold ¹ .	Redemption in gold exchange ² .	Redemption not definitely in a gold value or definitely not in a gold value ⁴ .	Redemption made by
<i>British Guiana...</i>			Gold or silver coin having legal currency in the Colony.	Board of Commissioners of Currency.
<i>British West Africa</i>		Draft or telegraphic transfers payable in sterling in Lon- don.		Currency Board.
<i>Bulgaria</i>		Foreign gold ex- change ⁸ .		National Bank of Bulgaria.
<i>Canada :</i> Dominion notes.	Gold.			Government.
Bank-notes	Domestic gold coin.	Or at holder's op- tion : <i>Dominion</i> <i>notes</i> .		Each bank of issue is responsible for its own notes only.
<i>Chile</i>	Domestic gold coin or gold bullion.	Drafts on New York or London.		Central Bank of Chile ⁹ .
<i>Colombia</i>	Domestic gold coin.	Drafts on New York ¹⁰ .		Bank of the Republic of Colombia.
<i>Costa Rica :</i> Private bank's notes	Domestic gold coin.			Each Private Bank res- ponsible for its own notes.
International Bank's notes ¹¹ .				International Bank of Costa Rica.
Conversion Offi- ce's notes...	Gold.	Drafts on New York.		Conversion Office.
<i>Curaçao</i>			Coin having legal currency in the Colony.	Bank of Curaçao.
<i>Czechoslovakia ...</i>	(Domestic gold coin or gold bullion) ¹² .	(Unspecified foreign gold exchange) ¹² .		National Bank of Czechoslovakia.
<i>Danzig</i>		Drafts on London ¹³ .		Bank of Danzig.
<i>Denmark</i>	Domestic gold coin, gold bullion, or gold in other form.			National Bank in Copenhagen.
<i>Ecuador.....</i>	Domestic gold coin, gold coin of Uni- ted States or Great Britain or gold bars.	Drafts on New York or London.		Central Bank of Ecua- dor.
<i>Egypt.....</i>	(Gold) ¹⁴ .			National Bank of Egypt

Country.	Redemption in gold ² .	Redemption in gold exchange ³ .	Redemption not definitely in a gold value or definitely not in a gold value ⁴ .	Redemption made by
<i>Estonia</i>		Foreign gold ex- change ¹⁵ .		Eesti Pank.
<i>Finland</i>	Domestic gold coin or gold bullion.	Unspecified foreign gold exchange ¹⁶ .		Bank of Finland.
<i>France</i>	Domestic gold coin or gold bullion.			Bank of France.
<i>French West Africa.</i>		Money which is legal tender in France.		Bank of West Africa.
<i>Germany</i>	Domestic gold coin or gold bullion.		Cheques or orders to pay on a foreign central bank.	Reichsbank.
<i>Great Britain</i>	Gold bullion.			Bank of England.
<i>Greece</i>		Foreign gold ex- change ⁸ .		Bank of Greece.
<i>Guatemala</i>	Domestic or United Sta- tes gold coin.	Drafts on New York, New Orleans, or San Francisco.	Drafts on other foreign centres. Domestic silver coin.	Central Bank of Guate- mala.
<i>Hungary</i>			(Legal metal cur- rency.) ⁷	National Bank of Hun- gary.
<i>Iceland</i>	(Legal tender gold coin) ⁷ .			National Bank of Ice- land.
<i>India</i>	Gold.	Drafts on London.		Government.
<i>Indo-China</i>	Gold.			Bank of Indo-China.
<i>Irish Free State :</i> Legal tender notes		<i>At London Agency :</i> Money which is legal tender in Great Britain.		Currency Commission.
		<i>In Dublin :</i> (Redemption not obligatory) Irish Free State legal tender gold coin.		Currency Commission.
Consolidated Bank notes ..		<i>Domestic legal tender coin or notes.</i>		Each bank is responsible only for the notes issued by the Currency Commission to it.

Country.	Redemption in gold ² .	Redemption in gold exchange ³ .	Redemption not definitely in a gold value or definitely not in a gold value ⁴	Redemption made by
<i>Italy</i>	Gold bullion.	Unspecified foreign gold exchange.		National Bank of Italy.
<i>Japan :</i> <i>Japan proper</i> ..	Domestic gold coin.			Bank of Japan.
<i>Chosen</i>	Domestic gold coin.	<i>Bank of Japan notes.</i>		Bank of Chosen.
<i>Taiwan</i>	Domestic gold coin.			Bank of Taiwan.
<i>Latvia</i>	Gold.			Bank of Latvia.
<i>Lithuania</i> ¹⁷				
<i>Madagascar</i>		Money which is legal tender in France.		Bank of Madagascar.
<i>Martinique, Gua-</i> <i>deloupe, French</i> <i>Guiana and</i> <i>Reunion</i>		Money which is legal tender in France.		Banks of Martinique, Guadeloupe, French Guiana and Reunion, each responsible for its own notes only.
<i>Mexico</i>	Gold.			Bank of Mexico.
<i>Morocco</i>		Money which is legal tender in France.		State Bank of Morocco.
<i>Netherlands</i>			Domestic legal currency.	Netherlands Bank.
<i>Netherlands Indies</i>			Legal tender ¹⁸ , <i>i.e.</i> gold and silver coin and Govern- ment cur- rency notes.	Java Bank.
<i>New Zealand</i>	Gold.			Each note-issuing bank is responsible for its own notes only.
<i>Norway</i>	Domestic gold coin.			Bank of Norway.
<i>Palestine</i>		Drafts or telegraphic transfers payable in sterling in Lon- don.		Currency Board.
<i>Paraguay</i>	(Gold) ⁷ .			Exchange Office.
<i>Persia</i>			Silver.	The Imperial Bank of Persia.
<i>Peru</i>	(Gold coin) ⁷ .	(Drafts on New York or London).		Reserve Bank of Peru.

Country.	Redemption in gold ² .	Redemption in gold exchange ³ .	Redemption not definitely in a gold value or definitely not in a gold value ⁴ .	Redemption made by
<i>Philippine Islands : Government currency.</i>	United States gold coin or gold bars.	United States cur- rency in Philip- pine Islands or drafts on the United States ¹⁰ .	At the holder's option : silver pesos and half- pesos.	Treasurer of the Phi- lippine Islands.
National Bank notes	Any lawful mo- ney ¹⁰ of the Philippine Is- lands.	Philippine National Bank.
<i>Poland</i>	Domestic gold coin or gold bullion ²⁰ .	Unspecified foreign gold exchange.		Bank of Poland.
<i>Portugal</i>	(Legal tender coin) ²¹ .			Bank of Portugal.
<i>Roumania</i>	Domestic legal ten- der gold coin or gold bullion.	Unspecified foreign gold exchange.		National Bank of Roumania.
<i>Salvador</i>	(Domestic gold coin) ¹⁴ .			Each Bank of Issue res- ponsible for its own notes.
<i>Siam</i>	Gold either in Bangkok or abroad.	Unspecified foreign gold exchange.		Minister of Finance.
<i>Spain</i> ²²				Bank of Spain.
<i>Straits Settlements.</i>		Drafts payable in sterling in Lon- don.		Board of Commissioners of Currency.
<i>Surinam</i>			Legal tender	Bank of Surinam.
<i>Sweden</i>	Domestic gold coin.			State Bank of Sweden.
<i>Switzerland</i>	Domestic gold coin or gold bullion.	Unspecified foreign gold exchange.		National Bank of Swit- zerland.
<i>Turkey</i> ²³				Government and Otto- man Bank.
<i>Union of South Africa</i>	Domestic gold coin.			South African Reserve Bank.

Country.	Redemption in gold ¹ .	Redemption in gold exchange ² .	Redemption not definitely in a gold value or definitely not in a gold value ⁴ .	Redemption made by
<i>United States of America :</i>				
Gold certificates	Domestic gold coin.			Treasurer of the U.S.
Silver certificates.....			Standard silver dollars ²⁴ .	Treasurer of the U.S.
United States notes	Domestic gold coin.			Treasurer of the U.S.
Treasury notes of 1890	Domestic gold coin.		Or, at holder's option, standard silver dollars ²⁴ .	Treasurer of the U.S.
National Bank notes			U. S. lawful money ²⁴ .	Each National Bank, responsible for redemption of own notes only; Treasurer of the U. S. responsible for all.
Federal Reserve notes	Gold.			Treasurer of the U.S.
	Gold.		U. S. lawful money ²⁴ .	Each Federal Reserve Bank, responsible for redemption of all Federal Reserve notes.
Federal Reserve Bank notes ..			U. S. lawful money ²⁴ .	Each Federal Reserve Bank responsible for redemption of only the Federal Reserve Bank notes issued to it. The Treasurer of the U.S. responsible for all.
<i>Uruguay</i>	(Notes of 10 pesos and over in gold.) ¹⁴		(Notes of under 10 pesos in gold or silver coin). ¹⁴	Bank of the Republic of Uruguay.
<i>Venezuela</i>			Coin of legal currency.	Each note-issuing bank responsible for its own notes only.
<i>Yugoslavia</i>			Domestic legal tender currency.	National Bank of the Kingdom of Yugoslavia.

Note : Brackets indicate that the provisions in question have been enacted but are not yet in force.

¹ This table is a summary of the legal redemption qualities of the notes of the countries in question. It is understood that redemption means redemption to bearer on demand at a fixed price. No account is taken in the table of the minimum amounts for which redemption will be made. In cases where two or more modes of redemption are given, it is understood, unless otherwise stated, that the option rests with the authority making the redemption and not with the bearer.

² The form in which gold redemption must be made is given in each case. When the form is not specified in the law, the word "gold" alone is used.

³ When the redemption is made in some other gold currency of the same country, the words in question are printed in italics. Redemption by colonial banks (or Boards, as the case may be) in the currency of the mother country is considered as foreign exchange.

⁴ In this column are grouped redemptions which are made:

(a) In a value which, at the option of the party making the redemption, may or may not be a gold value; or

(b) In a value which is definitely not a gold value.

⁵ *Argentina* : The legal redemption rate is 44 centavos of a gold peso to one paper peso. Redemption was, however, suspended on December 17th, 1929.

⁶ *Australia* : Australian notes are issued, however, by the Commonwealth Bank.

⁷ *Austria, Hungary, Iceland, Paraguay, Peru* : The provisions regarding redemption have not yet come into force and the notes are still legally inconvertible.

⁸ *Bulgaria, Greece* : It is specified that the foreign exchange must be either :

1. On a country the currency of which by law and in practice is convertible on demand at a fixed price into exportable gold ; or,

2. On a country the currency of which by law and in practice is convertible on demand at a fixed price into foreign exchange as defined in 1.

⁹ *Chile* : Since September 1st, 1929, the Government has been charged with the redemption of the outstanding Government notes and Treasury certificates.

¹⁰ *Colombia* : This substitution may be made only in time of emergency and with permission of the Minister of Finance.

¹¹ *Costa Rica* : The notes of the International Bank are inconvertible.

¹² *Czechoslovakia* : The decree which shall fix the date on which this method of redemption shall begin has not yet been issued.

¹³ *Danzig* : The redemption rate in the case of the Free City of Danzig is not fixed at a certain figure, the only stipulation being that redemption will not be made if the rate be above 19s. 10d. per 25 gulden.

¹⁴ *Egypt, Salvador, Uruguay* : Notes have been inconvertible since 1914.

¹⁵ *Estonia* : It is specified that the foreign exchange shall in practice and in fact be convertible at all times on demand into exportable gold at the centre where the exchange is held.

¹⁶ *Finland* : Must not be more than one per cent above par.

¹⁷ *Lithuania* : Notes are inconvertible and provisions have not as yet been made as regards their future redemption.

¹⁸ *Netherlands Indies* : The Java Bank has pledged itself to sell gold for export when the exchanges require it as long as it is able to do so.

¹⁹ *Philippine Islands* : The holder may choose either of these forms, but the approval of the Secretary of Finance is necessary if redemption is to be made in United States currency. For the explanation of the term "lawful money", see under "United States of America" in the Notes.

²⁰ *Poland* : The bank shall be required after a certain day, yet to be fixed, to redeem in gold coin only.

²¹ *Portugal* : Notes have been inconvertible since 1891.

²² *Spain* : The form in which redemption is to be made is unspecified.

²³ *Turkey* : The notes of the Government and all notes at present in circulation of the Ottoman Bank are inconvertible.

²⁴ *United States of America* : Standard silver dollars, being what is called "standard money", are not redeemable. United States "lawful money" is also not put into the gold exchange column, for while all forms of money are legally convertible into "standard money", "standard money" includes both gold coin and standard silver dollars. For fuller explanations see under "United States of America" in the Notes.

Table II.
COUNTRIES CLASSIFIED ACCORDING TO *LEGAL* REDEMPTION ¹
REQUIREMENTS.

Countries which are legally required to redeem only in gold.	Countries which are legally required to redeem only in gold or foreign gold exchange.	Countries which are legally required to redeem only in foreign gold exchange.	Countries which are not legally required to redeem in a gold value.
(Argentine).	Algeria.	British East Africa.	Albania.
Australia.	Bolivia.	British West Africa.	(Austria).
Brazil.	Chile.	Bulgaria.	Belgian Congo.
Canada.	Costa Rica ³ .	Free City of Danzig.	Belgium.
Colombia ² .	(Czechoslovakia).	Estonia.	British Guiana.
Denmark.	Ecuador.	French West Africa.	Curaçao.
France.	Finland.	Greece.	Egypt.
Great Britain.	India.	Madagascar.	Germany.
(Iceland).	Irish Free State.	Martinique.	Guatemala.
Indo-China.	Italy.	Guadeloupe.	(Hungary).
Japan ⁴ .	(Peru).	French Guiana.	<i>Lithuania</i> ⁵ .
Latvia.	Philippine Islands.	Réunion.	Netherlands.
Mexico.	Poland.	Morocco.	Netherlands Indies.
New Zealand.	Roumania.	Palestine.	Persia.
Norway.	Siam.	Straits Settlements.	(Portugal).
(Paraguay).	Switzerland.		Spain.
(Salvador).			Surinam.
Sweden.			<i>Turkey</i> ⁵ .
Union of South Africa.			Venezuela.
United States of America.			Yugoslavia.
(Uruguay) ⁶ .			

See notes on next page.

Note : Brackets about the name of a country indicate that the provisions in question have been enacted but are not in force.

¹ To bearer on demand. This table takes no cognisance of various classes of money and, consequently, if the principal currency of a country is convertible into gold, that country is placed in column 1 etc.

² *Colombia* : In time of emergency, the bank, with the permission of the Minister of Finance, may substitute for domestic gold coin sight or cable drafts on New York payable in gold coin.

³ *Costa Rica* : The notes of the Conversion Office are considered as the principal currency. Notes of the private banks are redeemable only in domestic gold coin, while the notes of the International Bank of Costa Rica are inconvertible.

⁴ *Japan* : For the purposes of this table, Japan is regarded as a unit.

⁵ *Lithuania, Turkey* : Notes are inconvertible and no legal provisions exist regarding their redemption. In this respect Lithuania and Turkey differ from the other countries in column 4 and accordingly their names have been printed in italics.

⁶ *Uruguay* : Except notes of under 10 pesos, for which silver coin may also be given.

Table III.

LEGAL RESERVE REQUIREMENTS.

This table deals only with the reserves which are usually called "Gold and Foreign Exchange Reserves", notwithstanding the fact that other metals may sometimes be included in them. The table takes no account of "Commercial Reserves".

Country.	GOLD RESERVE.		Reserve not definitely in a gold value or definitely not in a gold value.		Liabilities to be covered.	Additional stipulations and remarks.
	Gold coin or bullion.	Gold and gold exchange.	Per cent.	Composition.		
Albania			33 1/3	(a) Gold coin or bullion. (b) Silver coin or bullion. (c) Foreign values up to two-thirds of the 33 1/3 % and consisting of foreign exchange not subject to abnormal fluctuations.	Bank-notes.	
Algeria.	(11.66)	(35)			Bank-notes plus current ac- counts.	The foreign exchange may be only notes of the Bank of France or assets in France payable on demand. The draft law containing these provisions was laid before the Chamber by the Minis- ter of Finance on July 5th, 1929, but has not yet been voted.
Argentina						No fixed gold reserve required.
Australia		25			Bank-notes.	

24	Gold, silver and token money. May include foreign exchange in currencies not subject to extraordinary fluctuations. Credit balances and cash deposits abroad must be at sight and in banks of unquestioned solvency. A minimum of 25 million gold crowns in foreign credits must be held at all times, unless this figure is decreased by the board of directors.	Bank-notes plus sight liabilities minus the sum represented by the Government Loan Debt to the Bank.	Dating from opening of Bank (January 2nd, 1923) until redemption becomes obligatory, reserve ratio required to be : 1st 5-year period 20 % 2nd " " (present) 24 % 3rd " " 28 % Remainder of time ... 33 1/2 %
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After Redemption becomes Obligatory.

<i>Belgian Congo</i>	20	40	33 1/2	Same as above, with exception that foreign credits of 25 million gold crowns are no longer required.	Bank-notes plus sight liabilities with Government Loan Debt no longer deducted.	The foreign gold exchange is unspecified.
<i>Belgium</i>	30	40			Bank-notes.	The foreign gold exchange is unspecified.
<i>Bolivia</i>		40	10	Domestic silver coin in the vaults of the Bank.	Total sight liabilities. Bank notes plus deposits.	The foreign exchange may consist only of deposits in first-class banks in New York and London payable in gold within three days.

Country.	GOLD RESERVE.		Reserve not definitely in a gold value or definitely not in a gold value.		Liabilities to be covered.	Additional stipulations and remarks.
	Gold coin or bullion.	Gold and gold exchange.	Per cent.	Composition.		
	Per cent.	Per cent.				
<i>Brazil</i>						At present there is no required reserve ratio.
<i>British East Africa</i>			Indefinite.	No specified composition.	All currency.	All revenues of Currency Board must be paid into Reserve Fund, a portion of which must be kept in liquid form.
<i>British Guiana</i> ...			33 $\frac{1}{3}$	Coin which is legal tender in the Colony.	Currency notes.	The Governor, after obtaining authority from the Secretary of State, may reduce this proportion.
<i>British West Africa</i>			Indefinite.	No specified composition.	All currency.	All revenues of Currency Board must be paid into Reserve Fund, a position of which must be kept in liquid form.
<i>Bulgaria</i>		33 $\frac{1}{3}$			Bank-notes plus other sight liabilities.	For the classes of foreign gold exchange admitted to the reserve see the note on Bulgaria.
<i>Canada</i> : Minister of Finance	25% on circulation up to 50 million dollars; 100% on circulation over 50 million dollars.				Dominion notes (obligations of the Government).	Dominion notes may also be issued against approved securities. In addition, \$10,000,000 of Dominion notes stand issued without reserve.
Banks of Issue.		5 % held in "Circulation Fund". Unspecified amount held in "Central gold reserve"			Bank-notes (liabilities of the bank which issued them).	Total notes of any bank in circulation must not exceed bank's unimpaired paid-up capital plus gold coin and Dominion notes in "central gold reserves" except between September 1st and March 1st, when they may be in excess by 15 %.

Minister of Finance.....	40	Bank reserve proper against total liabilities.	Each bank must hold not less than 40 % of its cash reserves in Canada in Dominion notes.
Chile	10	Savings Bank deposits.	This reserve must be made up of gold or gold and Canadian securities guaranteed by the Government of the United Kingdom. In practice this reserve is always held in gold.
Colombia	50	Bank-notes plus deposits.	The foreign exchange may consist only of sight deposits in first-class banks in New York and London payable in gold.
Costa Rica : Private Banks .	60	Bank-notes and deposits.	The foreign gold exchange must be in the form of demand deposits in banks of high standing.
International Bank.	36	Bank-notes of each of the banks of issue	The International Bank is not required to hold any fixed reserve against its notes.
Conversion Office	25	Notes of the Conversion Office.	The foreign exchange must be sight drafts on New York.
Curaçao		Bank-notes.	
	33 $\frac{1}{2}$	Coin and bullion.	
Czechoslovakia ...	12 $\frac{1}{2}$	Bank-notes plus sight liabilities.	The reserve ratio must be : at end of 1929 25 % " 1930 30 % " 1935 35 %
	12 $\frac{1}{2}$	Foreign bank-notes, or current coin, or foreign exchange on the principal banking centres in Europe and America.	

Country.	GOLD RESERVE.		Reserve not definitely in a gold value or definitely not in a gold value.		Liabilities to be covered.	Additional stipulations and remarks.
	Gold coin or bullion.	Gold and gold exchange.	Composition.			
	Per cent.	Per cent.	Per cent.	Composition.		
<i>Free City of Danzig.</i>						
<i>Denmark</i>	30 % (12½ % of no- tes to be held in gold specie which is legal ten- der at its nominal value).	33 1/2 % on circula- tion up to 40 mil- lion gul- den; 100 % on cir- culation over 40 million gulden.	20	Domestic fractional coins at face value. The Bank's non-interest- bearing demand balan- ces with the Bank of Norway and the Swe- dish Riksbank, less: the Bank's debt to these two Banks, and the Bank's non-interest- bearing giro account with the Reichsbank.	Bank-notes 	

<i>Finland</i>	800 million marks.	100	Bills payable abroad, foreign bonds quoted on foreign stock exchanges, interest coupons in foreign currency which have fallen due. foreign bank-notes.	All bank-notes plus other sight liabilities up to 1,200 million marks.
<i>France</i>	35	100	Undisputed balances of the Bank with its foreign correspondents, together with the 300 million gold marks.	Bank-notes plus other sight liabilities totalling over 1,200 million marks.
<i>French West Africa.</i>		33 1/2		Bank-notes plus current credit accounts.
<i>Germany</i>	30	40	Bank-notes, bills of exchange having not more than 14 days to run, cheques, and day to day claims payable in foreign currency.	Bank-notes.
<i>Great Britain</i>	100	40	Sight deposits in Germany and abroad, cheques on other banks, bills of exchange (30-day or less), claims recoverable on call secured by pledges.	Other sight liabilities, with the exception of reparation accounts.
				Bank-notes above fiduciary issue of 260 million pounds.

The exchange may include only French legal tender coin, deposits in gold currencies, and a special non-interest-bearing account with the French Treasury.

Country.	GOLD RESERVE.			Reserve not definitely in a gold value or definitely not in a gold value.		Liabilities to be covered.	Additional stipulations and remarks.
	Gold coin or bullion.	Gold and gold exchange.		Per cent.	Composition.		
	Per cent.	Per cent.	Per cent.				
<i>Greece</i>		40				Bank-notes plus other sight lia- bilities.	For the classes of foreign gold exchange admitted to the reserve see the note on Greece.
<i>Guatemala</i>	12 % in gold coin.	38.67	1.33	Silver coin.		Bank-notes.	The foreign exchange must be in the form of deposits in first class credit institutions abroad, payable at sight in gold.
	7.50 % in gold coin.	24.17	.83	Silver coin.		Deposits paya- ble at sight or within 30 days.	(Same as above.)

Hungary

Before Redemption becomes Obligatory.

	24	Gold, silver and token money. May include foreign exchange in currencies not subject to extraordinary fluctuations. Credit balances and cash deposits abroad must be at sight and in banks of unquestioned solvency. A minimum of 25 million gold crowns in foreign credits must be held at all times, unless this figure is decreased by the board of directors.	Bank-notes plus sight liabilities minus the sum represented by the Government Loan Debt to the Bank.	Dating from opening of Bank (June 24th, 1924) until redemption becomes obligatory, reserve ratio required to be : % 1st 5-year period 20 2nd " " (present) 24 3rd " " " 28 Remainder of time 33 1/2
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After Redemption becomes Obligatory.

	33 1/2	Same as above, with exception that foreign credits of 25 million gold crowns are no longer required.	Bank-notes plus sight liabilities with Government loan debt no longer deducted.	
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<i>Iceland</i>	75 % of total reserve of 3/8.		25 % of total reserve of 3/8.	Demand deposits in foreign banks sanctioned by the Minister of Finance. The Bank may at present be permitted to hold more than 25 % of the total reserve in this form.	Bank-notes.	Although the required reserve ratio is three-eighths, the reserve may never be allowed to fall below 2 million krónur.
<i>India</i>			100	Rupees, silver half-rupees and gold bullion; the sum expended for the purchase of silver bullion; and securities (not to exceed 1,000 million rupees) of the United Kingdom, the Government of India, or those issued by the Secretary of State for India in Council.	Currency notes.	These are temporary provisions which are at present in force. For the permanent provisions envisaged by present law, see the note on India.
<i>Indo-China</i>		33 1/3			Bank-notes plus sight deposits.	The foreign gold exchange is unspecified.
<i>Irish Free State</i> ..		100			Legal tender notes.	This is known as the Legal Tender Note Fund.
<i>Italy</i>		10			Consolidated Bank notes.	This is known as the Note Reserve Fund.
<i>Japan</i> :		40			Bank-notes plus other sight liabilities.	
<i>Japan proper</i> ..	75 % on circulation over 120 million yen (in practice, this reserve has been held at 100 % since 1905).				Bank-notes.	

Country.	GOLD RESERVE.		Reserve not definitely in a gold value or definitely not in a gold value.		Liabilities to be covered.	Additional stipulations and remarks.
	Gold coin or bullion.	Per cent.	Gold and gold exchange.	Per cent.		
<i>Japan (continued):</i>						
<i>Chosen</i>			75% on circulation over 50 million yen.	25 % on circulation over 50 million yen.	Bank-notes.	The only exchange included in this reserve is Bank of Japan notes.
<i>Taiwan</i>				100% on circulation over 20 million yen.	Bank-notes.	
<i>Latvia</i>				50% on first 100 million lats.	Bank-notes.	
				75% on next 50 million lats.	Bank-notes.	
				100% on anything over 150million lats.	Bank-notes.	
<i>Lithuania</i>	25				Lat Treasury notes (obligations of the State).	The foreign gold exchange may include only French legal tender coin, sight deposits convertible into gold, and a special non-interest-bearing account with the French Treasury.
<i>Madagascar</i>		33 1/3	33 1/3		Bank-notes. Bank-notes.	
<i>Martinique</i>						From this reserve may be deducted the amount of gold held by the Bank as a reserve against deposits.
<i>Guadeloupe</i>						
<i>French Guiana</i> ..						
<i>Réunion</i>				33 1/3	Bank-notes of each bank.	
<i>Mexico</i>	50				Bank-notes.	

<i>Morocco</i>	11.11	33 ¹ / ₂	Reserve undefined, except that one-third of it must be kept in gold bullion or gold coin.	Bank-notes.	
<i>Netherlands</i>		40	Coin and bullion.	Bank-notes, bank assignments and demand deposits.	
<i>Netherlands Indies</i>		40	Coin and bullion.	Total demand liabilities.	
<i>New Zealand</i> ...					The reserves held by the note-issuing banks are governed by their own Private Acts, Royal Charters or Letters Patent.
<i>Norway</i>	100% on circulation over 250 million kroner.			Bank-notes.	If unusual circumstances demand, the King, with the approval of the Storting, may authorise the issue of additional notes subject to the payment of a tax by the bank.
<i>Palestine</i>		Indefinite.	No specified composition.	All currency.	All revenues of Currency Board must be paid into Reserve Fund, a portion of which must be kept in liquid form.
<i>Paraguay</i>					No fixed gold reserve required.
<i>Persia</i>					There is no required reserve ratio.
<i>Peru</i>		50		Total demand liabilities.	The foreign exchange may consist only of balances in dollars in New York or in pounds sterling in London convertible on demand into freely exportable gold.

Country.	GOLD RESERVE.		Reserve not definitely in a gold value or definitely not in a gold value.		Liabilities to be covered.	Additional stipulations and remarks.
	Gold coin or bullion.		Gold and gold exchange.			
	Per cent.	Per cent.	Per cent.	Composition.		
<i>Philippine Islands:</i> Treasurer of the } Philippine Islands }			25 100	Composition not specified. Philippine silver coin.	Coin and Treasury certificates. Treasury certificates.	This is the "Gold Standard Fund". This is the "Treasury Certificate Fund". If the silver coin is needed for circulation gold coin may temporarily be substituted for it.
Philippine National Bank				All the promissory notes, drafts and bills of exchange issued or drawn for agricultural, industrial or commercial purposes purchased or discounted by it, as well as the proceeds thereof.	Circulating notes.	
<i>Poland</i>	30	40			Bank-notes.	The reserve may contain silver at its gold value, but this item must not exceed 5 % of the holdings in gold. For the classes of foreign gold exchange admitted to the reserve see the note on Poland.
<i>Portugal</i>						The reserve requirements vary for each issue. See the note on Portugal.
<i>Roumania</i>	25	35			Total sight liabilities.	The foreign gold exchange is unspecified.
<i>Salvador</i>	40				Bank-notes of each of the banks of issue.	Must be held in United States gold coin.
<i>Siam</i>	20		100		Sight deposits of each of the banks of issue. Notes (obligations of the Minister of Finance).	Must be held in United States gold coin.
				Gold, gold securities, cash placed on call and payable in the currency of a gold standard country, and baht coins. Proportions not specified.		

<i>Spain</i>	40	Domestic legal tender silver coin.	Bank-notes not exceeding 4,000 million pesetas.	The silver current coin must not amount to less than one-tenth of the notes in circulation.
	50	Domestic legal tender silver coin.	Bank-notes exceeding 4,000 million pesetas but not exceeding 5,000 million pesetas, unless increased to 6,000 million pesetas by special authorisation.	
<i>Straits Settlements</i>	40	Gold and silver current coin, deposits with the Bank of England, or Treasury bills.	Currency notes.	
<i>Surinam</i>	30	Coin and bullion. At least one-half of required minimum must be domestic legal tender coin.	Total demand liabilities.	
<i>Sweden</i>	50 % on circulation over 250 million kronor.		Bank-notes.	The gold reserve must not be inferior to 150 million kronor. Under exceptional circumstances, the King and the Riksdag acting together may authorise the fiduciary circulation to be increased by a maximum of 125 million kronor, but the bank is bound to withdraw the excess as soon as possible.

Country.	GOLD RESERVE.		Reserve not definitely in a gold value or definitely not in a gold value.		Liabilities to be covered.	Additional stipulations and remarks.
	Gold coin or bullion.	Gold and gold exchange.	Per cent.	Composition.		
	Per cent.	Per cent.				
Switzerland	40				Bank-notes.	There are no required reserves against the present note circulation.
Turkey						
Union of South Africa	40		8	Silver specie.	Bank-notes.	Actually, the reserve stands at \$152,977,036.63, a figure fixed by custom.
	32				Deposits and bills payable (South African Reserve Bank).	
United States of America : Treasurer of the United States.	100		100	Standard silver dollars.	Gold certificates. Silver certificates.	
	150 million dollars.		100	Standard silver dollars.	United States notes.	
National Banks.			100 5	The 100 % reserve is held in registered bonds of the United States, the 5 % reserve in lawful money of the United States.	Treasury notes of 1890. National Bank notes.	
Federal Reserve Banks.....	40		35	Reserve held in gold or lawful money of the United States.	Federal Reserve notes. Deposits in Fe- deral Reserve Banks.	
			100 5	The reserve regulations for these notes are parallel to those governing Na- tional Bank notes, but, as they are being with- drawn from circulation, lawful money to their full value has been depo- sited with the Treasur- er of the United States.	Federal Reserve Bank notes.	
Uruguay	40				Total demand liabilities.	
Venezuela	33 1/2				Bank-notes of each of the banks of issue.	
Yugoslavia			33 1/2	Gold and silver in the bank and on deposit in foreign countries. Pro- portions not yet fixed.	Bank-notes.	

Table IV.

LEGAL REQUIREMENTS REGARDING PLACE OF DEPOSIT OF GOLD RESERVES.

PLACE OF DEPOSIT NOT SPECIFIED	PLACE OF DEPOSIT SPECIFIED.			
	Entire gold reserve or a certain specified proportion of it must be held in the Bank.	Gold deposited in other banks may be included in the reserve.	Gold deposited in a Mint may be included in the reserve.	Gold in transit may be included in the reserve.
Albania.		Bolivia. (Banks of high standing in New York or Lon- don.)		
Algeria.				
Argentine.	British Guiana (100 %).	Bulgaria. (Only Central Banks.)	Bulgaria. (Any Mint.)	Bulgaria. (Unspecified transit.)
Australia.		Chile. (Any first-class foreign banks.)		
Austria.	Colombia (100 %).			
Belgian Congo.	Costa-Rica (100 %).			
Belgium.	Curaçao (100 %).		Denmark. (Only Danish Mint.)	
Brazil.		Ecuador. (Any first-class foreign banks.)		
British East Africa.		Estonia. (Only Central Banks.)	Estonia. (Any Mint.)	Estonia. (To or from Bank.)
British West Africa.				Finland. (For account of Bank.)
Canada.		Germany. (Any foreign central note- issuing bank.)		
Czechoslovakia		Greece. (Only Central Banks.)	Greece. (Any Mint.)	Greece. (Unspecified transit.)
Danzig.	Guatemala (100 %).			Iceland. (To the Bank but not in excess of 300,000 krónur.)
Egypt.				
France.	Indo-China (100 %)	Lithuania. (Any banks.)		
French West Africa.		Mexico. (Any foreign banks.)		Mexico. (To the Bank.)
Great Britain.	Netherlands. (80 % of 40 % re- serve.)	Netherlands. (Any banks.)		
Hungary.				
India;		Netherlands Indies. (60 % of 40 % reserve must be held in Netherlands Indies.)		
Irish Free State.			Norway. (Only Norwegian Mint.)	
Italy.	Peru (100 %).			
Japan.		Philippine Islands ¹ (Unspecified proportion in Federal Reserve Banks or Member Banks of Federal Reserve System in the U. S.).		
Latvia.		Poland. (Any banks.)		
Madagascar.	Poland. (66 $\frac{2}{3}$ % of 40 % re- serve.)			

PLACE OF DEPOSIT NOT SPECIFIED	PLACE OF DEPOSIT SPECIFIED.			
	Entire gold reserve or a certain specified proportion of it must be held in the Bank.	Gold deposited in other banks may be included in the reserve.	Gold deposited in a Mint may be included in the reserve.	Gold in transit may be included in the reserve.
Martinique.	Salvador (100 %).	Roumania. (Any foreign banks.)		
Guadeloupe.		Spain. (Not more than 3 % of reserve; foreign cor- respondents or agen- cies).		
French Guiana.				
Reunion.				
Morocco.			Surinam. (75 % of 30 % reserve must be held in Surinam.)	
New Zealand.	Switzerland (100 %).	Sweden. (All of the gold must be situated in Sweden except 15 % of total reserve which may be held abroad or in transit to bank.)		
Palestine.				
Paraguay.		Union of South Africa. (Not more than 10 % of 40 % reserve; any foreign banks; con- sent of Treasury re- quired.)	Union of South Africa. (The Pretoria Mint.)	Union of South Africa. (Unspecified transit.)
Portugal.				
Siam.				
Straits Settle- ments.	United States of America ¹ . Uruguay. (A minimum of 55 million pesos.)			
Turkey.	Venezuela (100 %).	Yugoslavia. (Any foreign banks.)		

¹ *Philippine Islands* : Only the reserve called the " Gold Standard Fund " is considered in this table. Gold coin, temporarily substituted for silver coin in the Treasury Certificate reserve must be held in the Insular Treasury in Manila.

² *United States of America* : the gold deposited against gold certificates as well as the gold reserve of the United States Notes must be held in the Treasury. Of the 40 % gold reserve against Federal Reserve Notes, at least 5 % must be deposited with the Treasurer of the United States and held in the Treasury.

Table V.

LEGAL REQUIREMENTS TO PURCHASE GOLD¹ AND TO MINT GOLD¹.

Countries in which there exists a legal requirement to purchase gold at a fixed price.	Countries in which there exists a legal requirement to purchase foreign gold exchange at a fixed price.	Countries in which there exists a legal requirement to mint gold presented by private persons.	Countries in which there exists no legal purchase price for gold ² .
<p>Argentina.</p> <p>Austria. Belgian Congo.</p> <p>Bolivia. Brazil.</p> <p>Chile</p> <p>(Czechoslovakia).</p> <p>Denmark. Ecuador.</p> <p>France.</p> <p>Germany. Great Britain.</p> <p>Hungary. (Iceland). India. Indo-China. (Irish Free State)³.</p>	<p>Belgian Congo.</p> <p>Bolivia.</p> <p>Bulgaria.</p> <p>Danzig⁵.</p> <p>Ecuador.</p> <p>Estonia.</p> <p>Greece.</p> <p>Irish Free State⁶.</p>	<p>Argentina.</p> <p>Australia. Austria.</p> <p>Belgium².</p> <p>Canada. Chile. Colombia. Costa Rica⁴.</p> <p>(Czechoslovakia).</p> <p>Denmark. Ecuador.</p> <p>Finland. (France).</p> <p>Germany.</p> <p>Guatemala. (Hungary).</p> <p>(Irish Free State)⁶.</p> <p>Japan. Latvia.</p> <p>Mexico.</p>	<p>Albania.</p> <p>Algeria.</p> <p>British East Africa. British Guiana. British West Africa.</p> <p>Cuba. Curaçao. Czechoslovakia.</p> <p>Egypt.</p> <p>French West Africa.</p> <p>Iceland.</p> <p>Italy.</p> <p>Lithuania. Madagascar. Martinique. Guadeloupe. French Guiana. Réunion.</p>

For notes, see next page.

Countries in which there exists a legal requirement to purchase gold at a fixed price.	Countries in which there exists a legal requirement to purchase foreign gold exchange at a fixed price.	Countries in which there exists a legal requirement to mint gold presented by private persons.	Countries in which there exists no legal purchase price for gold ² .
Norway.		Netherlands.	Morocco.
		Norway.	Netherlands Indies.
			New Zealand.
Philippine Islands.	Philippine Islands.	Peru.	Palestine.
Poland.		(Poland).	Paraguay.
			Persia.
Siam ¹ .	Siam ¹ .	Spain.	Portugal.
			Roumania.
Sweden.		Sweden.	Salvador.
		Switzerland ³ .	
United States of America.		Union of South Africa.	Straits Settlements.
		United States of America.	Surinam.
			Turkey.
			Uruguay.
			Venezuela.
			Yugoslavia.

Note : Brackets about the name of a country indicate that the provisions in question have been enacted but are not in force.

¹ On demand at any time from anyone and in the case of purchase, at a fixed price.

² Either direct (resulting from a legal obligation to purchase gold at a fixed price) or indirect (resulting from a legal obligation to mint gold presented by private persons).

³ *Belgium* : this requirement is entirely theoretical as it is based upon the fact that no change has as yet been made in the system which existed before the war regarding gold coins. The coins in question circulate legally for only their face value while, as a result of the monetary reform, their intrinsic value is approximately seven times greater.

⁴ *Costa Rica* : an authorisation from the Minister of Finance is necessary in each case.

⁵ *Danzig* : the purchase price of foreign gold exchange is not fixed at a certain figure, the only stipulation being that it must not be higher than £1.0.1 per 25 gulden.

⁶ *Irish Free State* : it is provided that the Minister of Finance, with the concurrence of the Currency Commission, will fix a day on which the purchase of bullion for minting by him shall become obligatory, but, if the Currency Commission so requires, it alone shall be entitled after that day to deliver gold bullion for this purpose. It is further provided that the Currency Commission will be required to purchase gold bullion after that date. The Currency Commission is at present required to purchase money in any form which is legal tender in Great Britain.

⁷ *Siam* : the Minister of Finance has the choice between the purchase of gold and foreign gold exchange.

⁸ *Switzerland* : the approval of the Department of Finance is necessary in each case.

Table VI.

LEGAL RESTRICTIONS ON THE EXPORT AND IMPORT OF GOLD.

IMPORT OF GOLD.

Unrestricted.	Restricted.
In all countries except Persia.	Persia : the import of gold bullion is subject to a Customs duty of 8 %.

EXPORT OF GOLD.

Unrestricted.	Restricted.
<p>Algeria. Argentina. Australia. Austria. Belgian Congo. Belgium. Bolivia. Brazil. British East Africa. British Guiana. British West Africa. Bulgaria. Canada. Chile. Colombia. Costa Rica. Curaçao. Czechoslovakia. Danzig. Ecuador. Estonia. Finland. France. French West Africa. Germany. Great Britain. Guatemala. Hungary. Iceland. India. Indo-China. Irish Free State. Italy. Japan. Latvia. Madagascar. Martinique, Guadeloupe, French Guiana, Reunion.</p>	<p>Cuba. Mexico. Paraguay. Persia. Poland. Portugal. Roumania. Salvador. Turkey. Yugoslavia.</p> <p> } Export prohibited. Albania. Egypt. Lithuania. Spain. } Special authorisation from the Government required for each exportation.</p> <p>Denmark : export is permitted only to such countries where the Central Bank is bound to buy and sell gold and from where there is free export of gold to Denmark.</p> <p>Greece : export is permitted only by the Bank of Greece.</p> <p>Netherlands : the Netherlands Bank has the right to approve the destination of export. In any event export may be made only to countries which permit export.</p>

EXPORT OF GOLD.

Unrestricted.	Restricted.
Morocco. Netherlands Indies. New Zealand. Palestine. Peru. Philippine Islands. Siam. Straits Settlements. Surinam. Sweden. Switzerland. Union of South Africa. United States of America Venezuela.	Norway : export is permitted only to countries whose Central Banks redeem their notes in gold and who allow free export of gold to Norway. Uruguay : Export is prohibited with the exception that the Bank of the Republic of Uruguay may export its gold reserve which is in excess of fifty-five million pesos.

**NOTES SUMMARISING
THE LEGISLATION ON GOLD
IN VARIOUS COUNTRIES**

ALBANIA.

REDEMPTION.

The National Bank of Albania, at its head office, is required to redeem its notes on demand in one of the following forms, the option resting with the Bank :

- (a) In the gold coin of Albania;
- (b) In foreign exchange which is freely convertible into gold on the demand of the holder;
- (c) In cheques or telegraphic payments on current accounts with foreign banks in countries whose currency is stable and negotiable in the leading markets. (Statutes of the Albanian National Bank : Article 24.)

RESERVE.

The Bank is required to keep a metal reserve of not less than 33 $\frac{1}{3}$ % of its notes issued, consisting of either gold or silver in the form of either bullion or coin.

If the Board of Directors so decides, it may hold up to two-thirds of this reserve in foreign values, provided they are absolutely safe and stable. Foreign values for this purpose may consist of :

- (a) Foreign bank-notes not subject to abnormal exchange fluctuations;
- (b) Foreign Treasury obligations payable in gold or exchange as in (a) and of not more than three months' term;
- (c) Bills of exchange of not more than three months' term payable in exchange as in (a) in the leading money markets of Europe and America and carrying the signatures of two persons or one firm of unquestioned solvency.

Assets and funds immediately available without any restrictions, deposited in establishments of unquestioned solvency in the leading money markets of Europe and America, shall likewise be regarded as foreign values. (*Lex cit.* : Article 22.)

If the reserve ratio falls below the required minimum of 33 $\frac{1}{3}$ %, the Bank must increase the rate for discount and all other operations as follows :

- 1 % if the reserve is between 31 $\frac{1}{2}$ % and 33 $\frac{1}{3}$ %;
- 1 $\frac{1}{2}$ % for each further reduction of 1 $\frac{1}{2}$ %. (*Lex cit.* : Article 23.)

Place of deposit : The Board of Directors shall decide where the metal reserve is to be held. (*Lex cit.* : Article 22.)

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The Bank, which alone has the minting privilege, is not required to accept gold for minting on demand. (*Lex cit.* : Article 15.)

EXPORT AND IMPORT OF GOLD.

For the export of gold a special authorisation is necessary in each case.
The import of gold is unrestricted.

ALGERIA

REDEMPTION.

The Bank of Algeria is required to redeem its notes on demand at a fixed price in gold bars deliverable in Paris. Redemption will not be made of an amount of less value than the value of one gold bar. If the reasons are fully justified, the Bank will, in exceptional cases, make redemption in gold bars in Algiers, but in this case the expenses of shipping the gold to Algiers must be borne by the person demanding the redemption.

The Bank redeems its notes in cheques on Paris, London or New York at the daily rate, if so requested. (Instructions sent by the Director General of the Bank of Algeria to the Bank's branches.)

RESERVE.

The Bank of Algeria is required to hold a reserve equal to 35 per cent of its notes in circulation, plus its current accounts. This reserve must consist of :

- (a) Gold bullion;
- (b) French or Tunisian gold coin;
- (c) Notes of the Bank of France;
- (d) Assets in France payable on demand.

A minimum of one-third of the reserve—*i.e.*, 11.66 per cent of the Bank's notes in circulation, plus its current accounts, must be held in gold bars, or French or Tunisian gold coin. (Draft Law¹ reforming the Monetary Statute of the Bank of Algeria : Article 1.)

For temporary periods, the reserve ratio may be allowed to fall below 35 per cent, on condition that the Bank pay to the Government a graduated tax on the deficiency. In no case may the reserve ratio be allowed to fall below 30 per cent. (*Lex cit.* : Article 2.)

Place of deposit : Unspecified.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The new Tunisian² gold coins have not yet been minted. Algeria does not possess a gold coinage of its own.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

¹ This draft law was laid before the Chamber by M. Henri Chéron, Minister of Finance, on July 5th, 1929, but has not yet been voted.

² Notes of the Bank of Algeria circulate as legal tender not only in the Colony of Algeria but also in the Protectorate of Tunisia. There is, however, no Algerian coinage. Tunisian coinage circulates in the Colony of Algeria with the same legal tender rights as in the Protectorate of Tunisia.

ARGENTINE

REDEMPTION.

The Conversion Office was required by Article 7 of Law No. 3871, of November 4th, 1889, to redeem all paper currency in gold coin at the rate of 44 centavos of a gold peso to one paper peso. On October 31st, 1914, this obligation was suspended to be renewed on August 26th, 1927. On December 16th, 1929, it was again suspended and the paper currency is at present legally inconvertible.

RESERVE.

The Conversion Office is not required to hold any fixed reserve in gold. However, in Article 2 of Law No. 9479, of August 9th, 1914, which authorises the Conversion Office to rediscount commercial paper for the Banco de la Nación and issue notes to the Bank, it is stipulated that this issue may be made only if it does not reduce the percentage of the gold coin below 40%.

Place of Deposit : The Conversion Office is required to hold its gold in its own vaults.

PURCHASE OF GOLD.

The Conversion Office is required to purchase gold coin at the rate of 44 centavos of a gold peso to one paper peso. (Law No. 3871, of November 4th, 1889 : Article 7.)

MINTING OF GOLD.

The Mint is required on demand to mint gold bars offered to it by private persons free of charge. (Law No. 1130, of November 5th. 1881 : Article 19.)

EXPORT AND IMPORT OF GOLD.

The embargo on the export of gold was removed by the Decree of May 12th, 1925.
The import of gold is unrestricted.

Erratum

In the first paragraph, first and fourth lines, the words "Treasurer of the Commonwealth" should read: "*Secretary to the Commonwealth Treasury.*"

A

REDEMPTION.

Australian notes are Government obligations and bear the promise of the Treasurer of the Commonwealth to redeem them in gold coin on demand at the head office of the Commonwealth Bank. The control and redemption of the issue is in the hands of the Board of Directors of the Commonwealth Bank, which is appointed by the Governor-General and includes the Treasurer of the Commonwealth. (The Commonwealth Bank Act, 1911-1927 : Article 60 H.)

RESERVE.

The Bank is required to hold in gold coin and bullion a reserve of an amount not less than one-fourth of the amount of Australian notes issued. (*Lex cit.* : Article 60K.)

Place of deposit : Unspecified.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

The Treasurer of the Commonwealth is empowered to authorise the Board of Directors of the Commonwealth Bank to compel persons to exchange with the Bank any gold coin or bullion held by them for its equivalent in Australian notes. (Act No. 31 of 1929 : Article inserted in the Commonwealth Bank Act, 1911-1927, as No. 7B.)

MINTING OF GOLD.

There are branches of the Royal Mint at Melbourne and Perth. If any person brings gold bullion to either the Melbourne Branch Mint or the Perth Branch Mint the Deputy-Master of that branch is required to assay it and coin it on the payment of a fixed fee. No preference may be shown to anyone as regards the order in which the bullion offered is coined. The gold coins made at either of these branch mints are of the same denominations, designs, weights and fineness as those coined at the Royal Mint. They are deemed to have been issued from the Royal Mint and are current and legal tender as if they had been coined and issued in England¹. (The Perth Mint Proclamation, 1897, amended 1898, and the Melbourne Mint Proclamation, 1900; both based upon the Coinage Act, 1870² : Article 11, paragraph 8.)

EXPORT AND IMPORT OF GOLD.

After the receipt of a recommendation from the Board of Directors of the Commonwealth Bank, the Governor-General of the Commonwealth may, by proclamation, if he considers it expedient so to do, prohibit the export of gold from the Commonwealth³. During the existence of such a proclamation any person who desires to export gold from the Commonwealth must secure the approval of the Treasurer of the Commonwealth which can only be given upon the recommendation of the Board of Directors of the Commonwealth Bank⁴. (Act No. 31 of 1929 : Article inserted in the Commonwealth Bank Act, 1911-1927, as No. 7C.)

The import of gold is unrestricted.

¹ The coins struck at the Melbourne and Perth Branch Mints are distinguished from London pieces only in that they bear a microscopic mint mark indicating the locality of the Mint, viz., M. for Melbourne and P. for Perth.

² The relevant passages from the Coinage Act, 1870, will be found in the Annex under Great Britain.

³ No proclamation has as yet been issued under this Act.

⁴ Any person may at any time take with him out of the Commonwealth gold of a value not exceeding £25. (Act No. 31 of 1929 : Article inserted in the Commonwealth Bank Act, 1911-1927, as No. 7D.)

AUSTRIA.

REDEMPTION.

The Austrian National Bank is not yet required to redeem its notes. The moment when redemption will begin is, in accordance with Article 88 of the Bank Statutes, to be fixed by a law in agreement with the Bank. This article stipulates that two conditions have previously to be fulfilled :

(a) The gold contents of the currency have to be fixed. This was done by the law of December 20th, 1924 (Schillingrechnungsgesetz).

(b) The debt of the Government to the Bank must be reduced to 80 million gold crowns (48.2 million schillings). On December 31st, 1929, this debt amounted to 108.6 million schillings. During the last four calendar years the debt was reduced by the following amounts :

	Debt outstanding.	Ordinary reimbursement.	Extraordinary reimbursement.
	(In millions of schillings).		
At the end of 1925.....	187.9	10.6	...
» » 1926.....	177.3	4.1	...
» » 1927.....	173.2	7.0	50.0
» » 1928 ¹	116.2	7.6	...
» » 1929.....	108.6	7.2	...
July 7th, 1930	101.4		

If the amortisation of the debt continues at the same average rate, the condition under (b) will not be fulfilled for approximately ten years.

When redemption becomes obligatory, the Bank will be required to redeem its notes on demand in "coins of legal currency", and this requirement must be indicated in the text of the notes. (Statutes of the Austrian National Bank : Article 80.)

RESERVE.

The rules as to reserves are different for the periods before and after redemption becomes obligatory :

1. *Until Redemption becomes Obligatory :*

The note circulation and the sight liabilities, minus the Government debt, have to be covered as follows : by a metal reserve during the first five years of 20%, during the second five years of 24% (present stage), during the third five years of 28% and during the remainder of the period 33½%. If the reserve ratio during this period falls below these requirements, a tax must be paid. (*Lex cit.* : Article 88.)

A minimum of 25 million gold crowns must at all times be held in foreign credits, in leading money centres. This amount may, however, be decreased by a decision of the Board of Directors approved by not less than eight directors and the Governor of the Bank. (*Lex cit.* : Article 85, final paragraph.)

2. *After Redemption becomes Obligatory :*

The note circulation and the sight liabilities must be secured by a metal reserve of at least 88½%. The State debt is no longer deducted. (*Lex cit.* : Article 87.) A tax must be paid if the reserve ratio falls below 40%. (*Lex cit.* : Article 89.)

¹ In addition to the sum of 7.6 millions, the debt was further reduced in 1928 (on December 24th) by the payment of 50 million schillings to the Bank from the balance of the Reconstruction Loan.

In both periods the reserve may include foreign bank-notes and bills of exchange. Foreign bank-notes and bills of exchange may be held only in currencies which are not subject to extraordinary fluctuations of the rates of exchange. Credit balances and cash deposits abroad included in the reserve must be available at sight and be held in banks of unquestioned solvency. (*Lex cit.* : Article 85.)

Place of deposit : The choice of the place where the metal reserves are to be held rests with the Administration of the Bank, whose power in this respect is unrestricted.

PURCHASE OF GOLD.

The Bank is required to purchase gold bullion offered to it at the minting parity minus costs. (*Lex cit.* : Article 92.)

MINTING OF GOLD.

The Mint is required to coin gold for private persons on demand. (Federal Law of December 20th, 1924 : Article 11.)

The following fees are charged : for coins of 25 schillings, a fee of 8 schillings and 20 groschen per kilogramme of fine gold for the Austrian National Bank, and 14 schillings, 17 groschen for other parties; for coins of 100 schillings, a fee in all cases of 14 schillings, 17 groschen. Assay, refining, and smelting fees are also charged. (Decree of October 15th, 1929, of the Federal Ministry of Finance.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

BELGIAN CONGO.

The Bank of the Belgian Congo is in charge of the circulation of money in the Colony of the Belgian Congo and in the territory under Belgian mandate. (Ruanda-Urundi).

REDEMPTION.

The Bank is required to redeem its notes at sight at its option :

- (a) In gold (at the rate of 0.0418422 gramme of fine gold for one franc);
- (b) In coin having legal currency in the Colony;¹
- (c) In cheques on Belgian or foreign centres selected by the Minister of the Colonies in agreement with the Bank. (Convention concerning the Issue of Bank-notes : Article 6.)

RESERVE.

The Bank is required to hold a reserve in gold or in gold exchange equal to at least 40% of the amount of its notes in circulation, with a minimum of 20% in gold.

The remainder of the note circulation, plus the other sight liabilities of the Bank, must be covered to their full value by easily realisable securities. (*Lex cit.* : Article 8.)

Place of deposit : Unspecified.

PURCHASE OF GOLD.

The Bank is required to issue cheques at Brussels on its branches established at the seat of the Government or at the seats of the Provincial Governments against payments effected :

- (a) In gold;
- (b) In its own notes;
- (c) In Belgian currency;
- (d) In foreign currency. (*Lex cit.* : Article 6.)

MINTING OF GOLD.

The issue of gold coin is not authorised for the Belgian Congo and the territory under Belgian mandate (Ruandi-Urundi).

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

¹ It should be noted that in the *exposé des motifs*, given by the Prime Minister and Minister of the Colonies, it is stipulated that money which has legal currency in the Colony can only be given in payment to the amount for which it is legal tender.

BELGIUM.

REDEMPTION.

The National Bank of Belgium is required on demand to redeem its notes in one of the following forms, the option resting with the Bank :

- (a) Gold¹;
- (b) Silver² at its value in gold;
- (c) Foreign gold exchange.

(Royal Decree of October 25th, 1926, concerning monetary stabilisation : Article 8 ; Royal Decree of October 25th, 1926, extending the charter of the National Bank : Article 10; Statutes of the National Bank : Article 26.)

RESERVE.

The National Bank is required to hold a reserve in gold and foreign exchange convertible into gold of at least 40 % of its total sight liabilities. At least 30 % of the total sight liabilities must be covered by gold. (Royal Decree of October 25th, 1926, concerning monetary stabilisation : Article 5; Royal Decree of October 25th, 1926, extending the charter of the National Bank : Article 7; Statutes of the National Bank : Article 30.)

Place of deposit : The place where the gold included in the reserve is to be held is not specified.

PURCHASE OF GOLD.

The National Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The minting of gold is free for private persons as well as for the National Bank. This freedom is now, however, entirely theoretical as it is based upon the fact that no change has as yet been made in the system which existed before the war regarding gold coins. The coins in question circulate legally for only their face value while, as a result of the monetary reform, their intrinsic value is approximately seven times greater.

EXPORT AND IMPORT OF GOLD.

Restrictions on the export of gold were removed by the Ministerial Decree of February 11th, 1927.

The import of gold is unrestricted.

¹ According to the internal regulations approved by the Minister of Finance on April 10th, 1929, and to the conditions published by the Bank on August 1st, 1930, the Bank is always ready to sell gold at the legal parity of 0.209211 grammes of gold 1,000/1,000ths fine per belga, and to purchase gold at the price of 4,763.1338 belgas, or 23,815.669 francs, per kilogramme of gold 1,000/1,000ths fine. These transactions will be carried out in bars of approximately 12½ kilogrammes weight.

² The reserves of the Bank no longer include silver.

BOLIVIA.

REDEMPTION.

The Central Bank of Bolivia (*Banco Central de Bolivia*) is required to redeem its notes on demand in one of the following forms, the option resting with it :

- (a) Bolivian gold coin at par;
- (b) British or Peruvian gold coin (of the present weight and fineness) at the rate of 13.33 bolivianos to the pound;¹
- (c) United States of America gold coin (of the present weight and fineness) at the rate of 2.739 bolivianos to the dollar;
- (d) Gold bars of approximately 100 % fineness and not less than 500 grammes in weight, at the rate of 1.8211 bolivianos to the gramme;
- (e) Demand or three-days drafts on London or New York, payable in gold and drawn on funds deposited in banks of high standing. The Bank in this case may charge a premium which shall not exceed the sum necessary to cover the total cost of shipping gold coin from La Paz to London or New York. (Law of July 20th, 1928, on the Reorganisation of the Central Bank of Bolivia : Article 64.)

Should the Bank fail to redeem its notes as provided it shall be declared bankrupt and be immediately put into liquidation. (*Lex cit.* : Article 67.)

RESERVE.

The Bank is required to hold a metallic reserve equal to 50 % of its notes in circulation plus its deposits. The reserve shall consist of :

- (a) Bolivian gold coin at par in the vaults of the Bank;
- (b) British, Peruvian and United States of America gold coin in the vaults of the Bank, at the legal gold parity rate;
- (c) Other gold coin and gold in bars in the vaults of the Bank, at its bullion value;
- (d) Gold coin and bars deposited in banks of high standing in London or New York, valued as under (a), (b) and (c);
- (e) Deposits payable in gold, on demand or within three days, in banks of high standing in London or New York, valued at their legal gold parity rate.
- (f) Bolivian silver coin in the vaults of the Bank.

The reserve may be distributed among these forms in such proportions as the Board of Directors may see fit, subject to the condition that the amount of silver coin included in the reserve shall not at any time exceed 10 % of the Bank's notes in circulation plus its deposits. (*Lex cit.* : Articles 71 and 72.)

The Bank must pay a graduated tax to the Government if the reserve ratio falls below the statutory minimum. (*Lex cit.* : Article 73.)

The discount rate must be not less than 7 % per annum if the reserve ratio remains below the statutory minimum for a week or more. Over and above this 7 %, the rate must be increased by at least one-half of the rate of the tax payable on account of the deficiency. (*Lex cit.* : Articles 74 and 75.)

Place of deposit : See (a), (b), (c), (d), and (f) above, under "Reserve".

¹ This rate applied to both British and Peruvian gold coin up to February 10th, 1930, when the Peruvian currency was revalued.

PURCHASE OF GOLD.

The Bank is required to pay out its notes on demand in exchange for the following :

- (a) Bolivian gold coin at par;
- (b) British and Peruvian gold coin (of the present weight and fineness) at the rate of 18.33 bolivianos to the pound;¹
- (c) United States of America gold coin (of the present weight and fineness) at the rate of 2.739 bolivianos to the dollar;

(d) Deposits held in banks in London or New York in which the Bank keeps its legal reserve deposit accounts and payable at sight in gold at the rates given above under (c), provided they be not less than £80 or \$150. The Bank, in this case, may charge a premium which shall not exceed the sum necessary to cover the total cost of shipping gold coin from London or New York to La Paz. (*Lex cit.* : Article 66.)

The Bank is required to buy gold bars offered to it provided they weigh at least 500 grammes. (Law of July 11th, 1928, on Monetary Reform : Article 5, second paragraph—as amended.)

MINTING OF GOLD.

The Mint is required to accept gold only from the Government and the Bank. (Law of July 11th, 1928, on Monetary Reform : Article 5, second paragraph—as amended.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted. (*Lex cit.* : Article 18.)

¹ See the footnote on the preceding page.

BRAZIL.

The currency unit at present is the *milreis*. The ratio between the *milreis* and gold is fixed at two hundred milligrammes of gold per *milreis*. (Decree No. 5108 of December 18th, 1926 : Article 2. Regulations Governing the Stabilisation Office : Article 2.)

The currency unit in the future will be the *cruzeiro*. The ratios between the *cruzeiro* and the *milreis* and between the *cruzeiro* and gold have not yet been established.

It is provided that upon six months' notice the National Executive shall fix the exact date and the methods for the conversion of all the paper money in circulation into gold at the rate stated above in the first paragraph. (Decree No. 5108 of December 18th, 1926 : Articles 2 and 3. Regulations Governing the Stabilisation Office : Articles 2 and 3.) This has not yet been done.

In order to prepare the way for and to assist the stabilisation plan, the Government has created a so-called Stabilisation Office. (Decree No. 17618 of January 5th, 1927.) The object of the Stabilisation Office is to buy and sell gold in exchange for notes. (Decree No. 5108 of December 18th, 1926 : Article 5.) The Office may issue notes which shall be legal tender, but only in exchange for gold. (Regulations Governing the Stabilisation Office : Articles 9 and 13.)

REDEMPTION.

Until the decree fixing the date, etc., of the conversion has been promulgated, the Stabilisation Office is required to redeem in gold the notes at present in circulation at the fixed rate without limit as to time or amount. At the request of the bearer of the notes and with the Government's approval, the Stabilisation Office may deliver gold in London or New York in exchange for notes received at Rio de Janeiro. (Decree No. 5108 of December 18th, 1926 : Article 5. Regulations Governing the Stabilisation Office : Articles 4 and 10.)

RESERVE.

Provisions concerning the reserves to be held against notes will not be made until the other measures regulating the *cruzeiro* have been determined. At present there is no required reserve ratio¹. (See the Decree No. 5108 of December 18th, 1926 : Article 4, and the Regulations Governing the Stabilisation Office : Articles 11 and 12.)

Place of deposit : The gold holdings of the Stabilisation Office must be held in the Office itself or kept on deposit with its London or New York agencies. (Decree No. 5108 of December 18th, 1926 : Article 6. Regulations Governing the Stabilisation Office : Article 6.)

PURCHASE OF GOLD.

The Stabilisation Office is required to purchase gold bullion or gold coin (national or foreign) on demand at the fixed rate, and to give in exchange notes representing the full value of the gold received. (Decree No. 5108 of December 18th, 1926 : Article 5. Regulations Governing the Stabilisation Office : Articles 4 and 5.)

In times of emergency, and with the approval and express orders of the National Executive, gold may be delivered to and deposited with the London or New York agencies of the Office in return for a receipt upon the presentation of which the Head Office in Rio de Janeiro will issue notes. When the emergency has passed, the gold must be sent to the Head Office. (Regulations Governing the Stabilisation Office : Article 6, paragraphs 1, 2 and 3.)

MINTING OF GOLD.

Provisions regarding the minting of gold and other coins will not be made until the convertibility of the currency into gold has been assured. (Decree No. 5108 of December 18th, 1926 : Article 9.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

¹ The value of the gold and foreign gold exchange held by the Stabilisation Office comes at present to just short of 40% of the note circulation.

BRITISH EAST AFRICA.

The East African Currency Board provide for and control the supply of currency for the Kenya Colony and Protectorate, the Uganda Protectorate and the Tanganyika Territory. (Regulations governing the East African Currency Board, December 11th, 1924 : Article 1.)

REDEMPTION.

The Board are required, on demand, to redeem East African currency notes tendered in East Africa by drafts payable in sterling in London. They may, at their discretion, issue telegraphic transfers on London if requested. (*Lex cit.* : Article 8.) In both cases the Board may impose certain charges and conditions. (*Lex cit.* : Articles 7 and 8.)

RESERVE.

The Board are required to pay into the Currency Reserve Fund proceeds from the sale of coin and currency notes and all other revenue which they may have, minus necessary deductions for expenses, contributions, and any losses which may be incurred. (*Lex cit.* : Article 13.)

The Board are required to hold a portion of their revenue in liquid form. The remainder may be invested in securities of the Government of any part of His Majesty's Dominions or in such other manner as the Secretary of State may approve. The extent to which investments may be made, and the composition of the liquid portion of the reserve, are left to the discretion of the Board subject to any directions which may be received from the Secretary of State. (*Lex cit.* : Article 14.)

When the Board are satisfied that their reserves are more than sufficient, they may, with the approval of the Secretary of State, pay over the whole or any part of the surplus amount in aid of the revenues of the Dependencies in East Africa. (*Lex cit.* : Article 19.)

Place of deposit : The choice of the place where the liquid portion of the reserve is to be held rests with the Board, subject to any directions which may be received from the Secretary of State.

PURCHASE OF GOLD.

The Board are not required to purchase gold or sterling offered to them.

MINTING OF GOLD.

The Board are not required to accept gold bullion for coining. In practice they do not accept any gold bullion for coining, as they do not mint any gold coins for use in the East African Territories.

EXPORT AND IMPORT OF GOLD.

The export of gold is unrestricted.

The import of United Kingdom gold coins is prohibited. The import of other gold is unrestricted.

BRITISH GUIANA.

REDEMPTION.

The Board of Commissioners of Currency of British Guiana are required to redeem currency notes on demand in either gold or silver coin which is legal tender in the Colony, the option resting with them. (Ordinance No. 16, of 1915 : Article 4, paragraph 3.)

RESERVE.

The Commissioners are required to hold, for the sole purpose of redeeming currency notes, the coin received in exchange for them, which money forms the Note Guarantee Fund. This fund is divided into a "coin portion" and an "investment portion". (*Lex cit.* : Article 7, paragraph 1.)

(a) The coin portion must be held in coin which is legal tender in the Colony. It must amount to $33\frac{1}{3}\%$ (proportion fixed by a Proclamation dated September 24th, 1918) of the value of the notes in circulation, but if the Governor satisfies the Secretary of State that this proportion may safely be diminished without endangering the convertibility of the notes, and obtains the necessary authority from him, another proportion may be fixed. (*Lex cit.* : Article 7, paragraphs 2 and 4.)

Provision is made that the securities forming the investment portion of the fund must, if necessary, be sold to prevent the coin portion falling below the fixed proportion. This sale may, however, be postponed for not longer than three months if the deficiency of the coin portion does not exceed 25%, but, while a deficiency exists, no further investment of securities may be made and the whole income from the investment portion of the fund must be credited to the coin portion. (*Lex cit.* : Article 7, paragraph 3.)

(b) The investment portion may be invested in such securities of the Government of any part of His Majesty's Dominions or in such other securities as the Secretary of State may approve, provided not more than one fifth be invested in the securities of the Government of British Guiana. (*Lex cit.* : Article 8, paragraph 1.)

Provision is made that, out of the income derived from the investment portion of the Fund, a sum equal to one per cent of the cost price of the securities shall be paid into a Depreciation Fund, which shall form a part of the investment portion of the Note Guarantee Fund and be applied to meet any loss arising from any depreciation of the securities held therein. When the Depreciation Fund amounts to not less than ten per cent of the investment portion of the Note Guarantee Fund, it need not be further increased, provided the Governor satisfies the Secretary of State that further increase is unnecessary. (*Lex cit.* : Article 8, paragraph 4, and Article 9.)

Place of Deposit : The coin portion of the Note Guarantee Fund must be kept in the custody of the Commissioners (Georgetown, British Guiana).

PURCHASE OF GOLD.

The Commissioners are not required to purchase gold or sterling offered to them.

MINTING OF GOLD.

British Guiana does not possess a gold coinage of its own. British and the United States of America coin circulate as legal tender.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

BRITISH WEST AFRICA.

The West African Currency Board provides for and controls the supply of currency to the British West African Colonies and Protectorates : Nigeria, the Gold Coast, Sierra Leone, and Gambia. (Regulations governing the West African Currency Board, July 11th, 1924 : Article 1.)

REDEMPTION.

The Board is required, on demand, to redeem West African currency notes tendered in West Africa by drafts payable in sterling in London. It may, at its discretion, issue telegraphic transfers on London if requested. (*Lex cit.* : Article 13.) In both cases the Board may impose certain charges and conditions. (*Lex cit.* : Articles 12 and 13.)

RESERVE.

The Board is required to pay into the Currency Reserve Fund proceeds from the sale of coin and currency notes and all other revenue which it may have, minus necessary deductions for expenses, contributions, and any losses which may be incurred. (*Lex cit.* : Article 14.)

The Board is required to hold a portion of its reserve in liquid form. The remainder may be invested in securities of the Government of any part of His Majesty's Dominions or in such other manner as the Secretary of State may approve. The extent to which investments may be made, and the composition of the liquid portion of the reserve, are left to the discretion of the Board subject to any directions which may be received from the Secretary of State. (*Lex cit.* : Article 15.)

When the Board is satisfied, and shall have satisfied the Secretary of State, that its reserves are more than sufficient, it may pay over the whole or part of the surplus amount in aid of the revenues of the West African Governments. (*Lex cit.* : Article 21.)

Place of deposit : The choice of the place where the liquid portion of the reserve is to be held rests with the Board, subject to any directions which may be received from the Secretary of State.

PURCHASE OF GOLD.

The Board is not required to purchase gold or sterling offered to it.

MINTING OF GOLD.

The Board is not required to accept gold bullion for coining. In practice it does not accept any gold bullion for coining, as it does not mint any gold coins for use in the West African Territories.

EXPORT AND IMPORT OF GOLD.

The export of gold is unrestricted.

The import of United Kingdom gold coins is prohibited. The import of other gold is unrestricted.

BULGARIA.

REDEMPTION.

The National Bank of Bulgaria is required to redeem its notes on demand in foreign gold exchange,¹ which, according to law and in practice, is convertible on demand into immediately exportable gold. The Bank is not required to redeem an amount less than 50,000 leva. Redemption shall be made at the stabilisation rate: one gramme gold = 92 leva. (Law on the Bank of Bulgaria, November 18th, 1926, modified September 27th, 1928 : Article 8.)

RESERVE.

The Bank is required to keep a reserve of not less than 33 $\frac{1}{3}$ % of the value of its notes in circulation, plus other demand liabilities. The reserve shall include only :

(a) Gold coin and bullion in the unrestricted ownership of the Bank, and either in the custody of the Bank or deposited in another Central Bank, or in any Mint, or in transit;

(b) Net foreign gold exchange in the unrestricted ownership of the Bank, provided that it be either :

1. On a country the currency of which by law and in practice is convertible on demand at a fixed price into exportable gold; or,

2. On a country the currency of which by law and in practice is convertible on demand at a fixed price into foreign exchange as defined in 1.

“Net foreign gold exchange” is taken to mean :

1. Balances standing to the credit of the Bank at the Central Bank of such a foreign country;

2. Bills of exchange drawn on and payable in the currency of such a foreign country, maturing within three months and bearing at least two good signatures;

3. Treasury bills, Treasury certificates of indebtedness or similar obligations of the Government of such a foreign country maturing within three months :

less all liabilities in foreign exchange.

In calculating the amount of the reserve, should it be found that the liabilities in foreign exchange exceed the assets enumerated in the paragraphs numbered 1, 2, and 3 of this article, the excess shall be deducted from the other assets of the reserve.

At the request of the Bank, the Government may suspend the above reserve requirements for a period not to exceed thirty days or to be renewed for more than fifteen days. The Bank, in the event of such suspension, must pay a graduated tax to the Government on the amount by which the note circulation and other demand liabilities exceed the maximum ordinarily admissible. (*Lex cit* : Articles 9, 10, and 11.)

Place of deposit : See above under (a).

PURCHASE OF GOLD.

The Bank is required to purchase foreign exchange on demand at a fixed rate, in amounts not less than 50,000 leva, on gold standard countries¹ whose legal tender currency is by law and in practice convertible into exportable gold. (*Lex cit* : Article 8.)

MINTING OF GOLD.

The Stabilisation Law of 1928 does not provide for gold coin. There is, moreover, no mint in Bulgaria, subsidiary coin being minted abroad.

EXPORT AND IMPORT OF GOLD.

The export of gold is unrestricted. (Stabilisation Law : Article 9.)

The import of gold is unrestricted.

¹ At present, foreign exchange is bought and sold on London.

CANADA.

There are three kinds of notes in circulation in Canada : Dominion notes, Provincial notes and bank-notes. Dominion notes are issued by the Minister of Finance. The smaller denominations are in circulation while the larger denominations (over \$1,000) are legal tender for banks only and are held in their reserves (see below "Bank Reserve Proper"). Provincial notes were provided for under an Act of the late Province of Canada, before Dominion status was conferred upon it. Provincial notes are no longer issued and under Article 10 of the Dominion Notes Act of August 22nd, 1914, those outstanding are considered to be notes of the Dominion. Bank-notes are issued by the Banks incorporated in accordance with the Bank Act of June 30th, 1923.¹ (See Articles 4, 5 and 61 of the Bank Act in the Annex.)

SUMMARY TABLE SHOWING NOTE CIRCULATION AND GOLD HOLDINGS.

The statement of the Minister of Finance for January 31st, 1930, published in accordance with Article 8 of the Dominion Notes Act, 1914, shows the following note circulation and gold holdings :

Provincial notes	\$27,618.83	Gold held against notes in circulation	\$62,681,877.11
Dominion notes (smaller denominations, legal tender for circulation)	\$42,457,445.09	Gold held against Savings Bank deposits (10 % on \$25,418,762.12) under the Savings Bank Act	\$2,541,876.21
Dominion notes (larger denominations, legal tender for banks only)	\$64,904,000.00		
Total notes outstanding under the Dominion Notes Act, 1914	\$107,389,063.92	Total gold held by the Minister of Finance	\$65,223,753.32

In addition to the notes outstanding under the Dominion Notes Act, 1914, there were also outstanding on January 31st, 1930 :

- (a) \$49,700,000 against approved securities under the Finance Act, 1923, and
- (b) \$16,000,000 issued under Chapter 4 of the Dominion Notes Act, 1915.

Against these notes no gold reserve is held.

The return of the Chartered Banks for January 31st, 1930, made to the Minister of Finance in conformity with Article 112 of the Bank Act, 1923, shows :

Notes in circulation (total). \$156,062,061.00	Paid up capital (total)..... \$143,479,876.00
	Current gold coin ² (total).. \$12,630,866.00
	Dominion notes ² (total).... \$19,950,000.00

¹ There are eleven Chartered Banks of the Dominion of Canada entitled to issue notes : The Bank of Montreal, the Bank of Nova Scotia, the Bank of Toronto, la Banque Provinciale du Canada, the Canadian Bank of Commerce, the Royal Bank of Canada, the Dominion Bank, la Banque Canadienne Nationale, the Imperial Bank of Canada, the Weyburn Security Bank and Barclay's Bank (Canada).

² These are the so-called "Central Gold Reserves".

REDEMPTION.

Dominion Notes.

The Minister of Finance is required to redeem Dominion notes in gold¹ on demand. (Dominion Notes Act of August 22nd, 1914 : Article 4, paragraph 3.)

Bank-notes.

According to Article 61 of the Bank Act of June 30th, 1923, notes issued by the Chartered Banks are payable to bearer on demand. Article 70 of the Bank Act says that each bank shall establish agencies for the redemption and payment of its notes, but nowhere is it directly stipulated how such redemption is to be made. However, Article 65, paragraph 1, of the Bank Act provides that the notes of a bank shall bear interest at the rate of 5 % per annum "in the event of the suspension by a bank of payment in specie or Dominion notes of any of its liabilities as they accrue", and Article 64, paragraph 5, uses the same phrase in speaking of the purpose of the Circulation Fund.

RESERVE.

Dominion Notes.

1. The Minister of Finance is required to keep against the Dominion notes a gold reserve of not less than 25 %, provided the total issued and in circulation at any one time does not exceed \$50,000,000. (The Dominion Notes Act of August 22nd, 1914 : Article 5, paragraph 1.)

2. Notes to a further amount of \$26,000,000 have been issued without any gold reserve, but of this amount \$16,000,000 are secured by certain specified Canadian Railway securities guaranteed by the Dominion Government. (An Act Respecting Certain Issues of Dominion Notes, April 8th, 1915.)

3. Over and above the amount of \$76,000,000, the Finance Act of 1914 provided for an emergency issue to be secured by approved securities. (The Finance Act of 1914 : Article 4, paragraph (a).)

4. Over and above this, the banks may borrow additional Dominion notes against approved securities. Such loans must be repaid in Dominion notes and within one year. (The Finance Act of 1923.)

5. Notes not issued under one of the above categories must be covered to their full value by gold. (The Dominion Notes Act of August 22nd, 1914 : Article 5, paragraph 2.)

The Governor in Council is authorised, if the amount held as security is insufficient, to pay notes presented for redemption or, if it has fallen below the legal minimum, to raise, by way of a loan, such sums of money as are necessary to make these payments or to re-establish the required reserve. (Dominion Notes Act of August 22nd, 1914 : Article 6.)

Place of deposit : Unspecified.

Bank-notes.

Under ordinary circumstances the total amount of the notes of a bank in circulation at any time is not allowed to exceed the unimpaired paid-up capital of the bank, plus the amount of current gold coin and Dominion notes held for the bank by the Canadian Bankers' Association in the "Central Gold Reserves". (The Bank Act of 1923 : Article 61, paragraphs 1, 2, 3 and 4.)

During the season of the moving of the crops, from the first day of September to the last day of February, any bank with the right of issue can issue additional notes up to 15 % of the combined unimpaired paid-up capital and rest or reserve fund. Interest must be paid to the Minister of Finance on notes put into circulation in excess of the amount permitted under ordinary circumstances. (The Bank Act of 1923 : Article 61, paragraphs 14 and 16.)

¹ Gold means (1) gold coins which are legal tender in Canada, and (2) gold bullion in bars bearing certain recognised stamps. (The Dominion Notes Act of August 22nd, 1914 : Article 2, paragraph b.)

For the purpose of insuring payment, should a bank not be able to meet its liabilities as they accrue, each bank is required to keep with the Minister of Finance in the "Circulation Fund" 5 % in gold¹ or Dominion notes of the average amount of its notes in circulation. (The Bank Act of 1923 : Article 64, paragraphs 1, 2, 3, 4 and 5.)

Place of deposit : Unspecified.

Bank Reserve Proper.

Each bank is required to hold not less than 40 % of the cash reserves which it has in Canada in Dominion notes.² (The Bank Act of 1923 : Article 60.)

Place of deposit : Unspecified.

Savings Bank Deposits.

The Minister of Finance is required to hold against Savings Bank deposits a reserve in gold, or in gold and Canadian securities guaranteed by the Government of the United Kingdom, equal to not less than 10 % of the total amount of such deposits.³ (The Savings Banks Act of 1914 : Part III, Section 47.)

Place of deposit : Unspecified.

PURCHASE OF GOLD.

Neither the Minister of Finance nor the banks of issue are required to purchase gold offered to them. The Minister of Finance must, however, issue Dominion notes against legal tender, *i.e.*, United States gold coin, English gold coin and Canadian gold coin.

MINTING OF GOLD.

There is a branch of the Royal Mint at Ottawa. If any person brings gold bullion to the Ottawa Branch Mint, the Deputy-Master is required to assay it and coin it into sterling gold coins on the payment of a fixed fee. No preference may be shown to anyone as regards the order in which the bullion offered is coined. The term "sterling gold coins" means gold coins of the same denominations, designs, weights and fineness as those coined at the Royal Mint in London. Sterling gold coins issued from the Ottawa Branch Mint are deemed to have been issued from the Royal Mint and are current and a legal tender as if they had been coined and issued in England⁴.

In addition to sterling gold coins, the Deputy-Master of the Ottawa Branch Mint is required, on the demand of the Governor-General of the Dominion, to coin any coin which is for the time being a coin of the Dominion and current and legal tender in the Dominion. These coins, however, may not be deemed as having been made at and issued from the Royal Mint. (The Ottawa Mint Proclamation, 1907, based upon the Coinage Act, 1870⁵ : Article 11, paragraph 8.)

EXPORT AND IMPORT OF GOLD.

Control of gold exports was removed July 1st, 1926. (The Finance Act of 1923 : Articles 14 and 15.)

The import of gold is unrestricted.

¹ See the footnote on the preceding page.

² In this connection, note that the banks are not legally bound to keep any specified reserve of cash against liabilities in Canada or elsewhere.

³ The Minister of Finance in practice always holds a 10 % gold reserve against Savings Banks' deposits.

⁴ The coins struck at the Ottawa Branch Mint are distinguished from London pieces only in that they bear the microscopic mint mark C.

⁵ The relevant passages from the Coinage Act, 1870, will be found in the Annex under Great Britain.

CHILE.

REDEMPTION.

The Central Bank of Chile, which has the exclusive right of note issue in Chile, is required to redeem its notes on demand in one of the following forms, the option resting with it :

- (a) In Chilean gold coin;
- (b) In fine gold bars in amounts of not less than 500 grammes at a rate fixed in monetary law;
- (c) In drafts at sight or at three days' sight on first-class banks in New York or London, payable in gold. The bank may charge a premium equal to the cost of transportation of gold bars in appreciable quantities from Santiago to the city on which the above-mentioned drafts are drawn. (Decree-Law creating the Central Bank of Chile, August 21st 1925 : Article 69.)

The Central Bank of Chile, up to September 1st, 1929, was also required to exchange its own notes for all outstanding Government notes (*billetes fiscales*) and Treasury certificates (*vales de Tesorería*), or it could redeem them in gold coin, gold bars, or drafts in the same way as mentioned above for its own notes. When exchanged or paid, they had to be withdrawn from circulation and cancelled. (*Lex cit.* : Article 74.)

When the Bank opened its doors on January 11th, 1926, the Government turned over to it gold for the entire amount of the then outstanding Government note issues, \$405,629,119.00. On August 30th, 1929, there were outstanding only \$4,900,790.00 of these issues. On September 1st, 1929, the Bank returned to the Government an amount equal to the Government note issues then unredeemed and the Bank's liability for their redemption ceased. Since that date, the Government has been charged with their redemption.

RESERVE.

The Bank is required to hold a gold reserve of 50 % of the total of its notes in circulation plus its deposits. This must consist of the following in such proportions as the Board of Directors may determine :

- (a) Gold, coined or in bars deposited in the vault of the bank in Chile;
- (b) Gold, coined or in bars earmarked and deposited in the custody of first-class banks abroad;
- (c) Deposits in first-class banks in New York and London payable at sight in gold. (*Lex cit.* : Article 83.)

The Bank is required to hold the same reserve against Government notes and Treasury certificates outstanding. (*Lex cit.* : Article 84.)

Should the reserve fall below the statutory minimum, the Bank is required to pay a graduated tax to the Government, and the discount rate of the Bank may not be below 7 % per annum if the reserve is below the legal minimum for one week or longer. (*Lex cit.* : Articles 85 and 86.)

Place of deposit : See (a) and (b) above under "Reserve".

PURCHASE OF GOLD.

The Central Bank of Chile is required to issue its notes in exchange for :

- (a) Chilean gold coin minted after the date of the bank law if within the legal toleration;
- (b) Other Chilean gold coin at the rate of 0.188057 grammes of fine gold per peso;

(c) Gold deposited to the account of the Central Bank of Chile in New York or London, at the same rate as in (b). In this case the Bank may charge a premium equal to the cost of transporting gold in appreciable quantities from the place of deposit to Santiago, as well as the cost of coining and interest for transit time. (*Lex cit.* : Article 71.)

MINTING OF GOLD.

The Mint is required to coin all gold bullion presented to it for that purpose, but must give preference to the Central Bank of Chile if so requested. (*Lex cit.* : Article 88, paragraph B.)

EXPORT AND IMPORT OF GOLD.

The import and export of gold are unrestricted.

The President of the Republic and the Bank, acting together, may, in case of internal or external disturbance, temporarily suspend the free commerce of gold.¹ (*Lex cit.* : Article 88, paragraph A.)

¹ This power has not yet been used.

COLOMBIA.

REDEMPTION.

The Bank of the Republic of Colombia is required to redeem its notes in gold coin on demand. If, however, at any time one of the branch offices of the Bank is unable to redeem the Bank's notes in gold coin on demand, the person presenting the notes shall have the option :

- (a) Of taking a cheque on the main office;
- (b) Of waiting for gold to come from the main office, or,
- (c) Of taking a demand draft on New York payable in gold. In this latter case, the Bank may charge a premium.

In time of emergency the Bank may, with the approval of the Minister concerned, give sight or cable drafts on New York payable in gold in that city. (Law No. 25 of 1923 on the Organisation of the Bank of the Republic : Article 19.)

RESERVE.

Reserve of Central Bank.

The Bank is required to keep a gold reserve equal to 60 % of its notes in circulation and deposits. Up to two-fifths of this may be kept in the form of demand deposits, payable in gold in banks of high standing in foreign financial centres. If the reserve falls below these proportions, the Bank must pay a graduated penalty tax.

Place of deposit : The gold reserve must be held in the vaults of the Bank. (*Lex cit.* : Article 18.)

Reserve of Other Banks.

Every banking institution, with the exception of the Bank of the Republic, is required to hold a reserve of 50 % against its deposits payable at sight or within 30 days, and a reserve of 25 % against its deposits payable at more than 30 days. The balances of floating credits remaining unused require similar reserves :

These reserves may only be composed of the following :

- (a) Domestic gold coin;
- (b) Foreign gold coin and gold bullion, valued according to its fine gold content in relation to the Colombian gold peso;
- (c) Notes of the Bank of the Republic;
- (d) Colombian silver coin, this latter not to exceed 20 % of the minimum required reserve ratio.

However, when deposits are made in a certain coin, the reserve will be held in that coin in the proportion stipulated above.

Banks which have become shareholders of the Bank of the Republic through the acquisition of a certain number of class B or class C shares and which, in consequence, enjoy the right of rediscount at the latter, are required to hold only half of the reserves stipulated above, and may count their available deposits with the Bank of the Republic as the other half.

If the reserve ratios of any bank fall below the legal minimum, a graduated penalty tax will be imposed by the superintendent of banks.

Place of deposit : The gold coin and gold bullion included in the above-mentioned reserves must be held in the vaults of the bank in question. (*Lex cit.* : Article 20.)

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The Mints at Bogotá and Medellín are required to mint gold for private persons at cost price. The Mints will give delivery certificates when the gold is presented and these certificates may be exchanged on demand at the Mints for gold coin or gold bullion, or may be used for all payments to the National Treasury. No minimum amount is stipulated except that the lowest delivery certificate which will be issued is for two and a-half pesos. (Law No. 65 of 1916 : Article 1; and Law No. 15 of 1918 : Article 9.)

The Minister concerned, whenever he considers it in the public interest, will give the Bank of the Republic priority as regards the order in which gold brought to the Mints is coined. (Law No. 25 of 1923 on the Organisation of the Bank of the Republic : Article 21, paragraph b.)

EXPORT AND IMPORT OF GOLD.

The export of gold is unrestricted. (Law No. 21 of 1921 : Article 1.)

The import of gold is unrestricted.

In the case of internal or external disturbance the Government and the Bank may decree the temporary suspension of the free trade in gold. (Law No. 25 of 1923 on the Organisation of the Bank of the Republic : Article 21, paragraph a.)

COSTA RICA.

It is felt that a short sketch of recent monetary changes in Costa Rica must be given, in order that the present position may be adequately explained.

The gold standard was adopted by Decree of October 24th, 1896, and was definitely introduced in 1900 (April 17th). With the introduction of the gold standard, private banks which conformed to certain conditions were given the right (April 25th, 1900) to issue notes payable on demand in gold. The system stood in this form until 1914, when the Government, for various reasons, considered necessary an increase in the monetary circulation, to accomplish which it was forced, mainly due to insufficient co-operation between it and the private banks, to create a State Bank (the International Bank of Costa Rica) for the purpose of issuing inconvertible notes (October 9th, 1914). As a necessary corollary to this, the notes of the private banks were declared no longer convertible (September 18th, 1914) and the export of gold was prohibited (November 24th, 1914).

In 1921 (March 30th), the notes of the private banks were again declared convertible into gold on demand, but the notes of the several issues which had been made by the State Bank were left inconvertible. At the same time (June 9th, 1921), the prohibition on the export of gold was removed. The following year (October 10th, 1922), a Conversion Office was created as a part of the State Bank for the purpose of building up a gold reserve against which it was authorised to issue convertible notes and to withdraw from circulation the inconvertible notes of the Bank. The Bank's privilege of issuing inconvertible notes was stopped.

There are, therefore, three classes of notes in circulation at present : (1) Notes of the private banks, (2) notes of the International Bank of Costa Rica, and (3) notes of the Conversion Office.

REDEMPTION.

1. *Notes of the Private Banks.*

The private banks are required to redeem their notes on demand in domestic gold coin. (Decree No. 16, of April 25th, 1900 : Article 34. Decree No. 19, of April 1st, 1921 : Article 1.)

2. *Notes of the International Bank of Costa Rica.*

The International Bank of Costa Rica is not required to redeem its notes. (Decree No. 19 of April 1st, 1921 : Articles 1 and 2.)

3. *Notes of the Conversion Office.*

The Conversion Office is required on demand to redeem its notes at the fixed rate of four colons to the dollar in gold or in sight drafts on New York at the option of its Administrator. (Decree No. 17, of October 10th, 1922 : Article 3.)

RESERVE.

1. *Notes of the Private Banks.*

Before it may be permitted to issue notes, a bank must have a paid-up capital of not less than one million colons and must hold that amount in its vaults in either domestic gold coin or foreign gold coin whose value in relation to the domestic gold coin has previously been officially determined. (Decree No. 16, of April 25th, 1900 : Article 20; amended by Decree No. 12, of November 17th, 1902 : Amendment No. 4.)

Each bank which is permitted to issue notes is required to hold a reserve of domestic gold coin, or foreign gold coin whose value in relation to the domestic gold coin has previously been officially determined, equal to 50% of the amount of its notes in circulation. If a bank permits its reserve to fall below this ratio, it shall be forced to withdraw its notes, shall forfeit its right of issue and shall be liable to a fine of ten thousand colons.

Place of Deposit : The gold included in this reserve must be held in the vaults of the bank in question. (Decree No. 16, of April 25th, 1900 : Article 23; amended by Decree No. 12, of November 17th, 1902 : Amendment No. 7.)

2. *Notes of the International Bank of Costa Rica.*

The International Bank of Costa Rica is not required to hold any fixed reserve against its notes. The notes which were issued by the International Bank were in reality advances to the Government, and they are guaranteed by Treasury bills.

3. *Notes of the Conversion Office.*

The resources of the Conversion Office are made up by the export tax on bananas and by any other funds which the Government may turn over to it. These receipts must be deposited with the Office in the form of either gold coin or sight drafts on New York, and the Office may issue notes against them in the ratio of 400 of notes to 100 of receipts. All such receipts against which notes have been issued must be held by the Conversion Office as a reserve against these notes. Consequently the Office is required to hold a reserve in gold coin or sight drafts on New York equal to 25% of its note issue.

Place of Deposit : The Conversion Office must hold in its own vaults the gold against which it has issued notes. (Decree No. 17, of October 10th, 1922 : Article 9, final paragraph; and Decree No. 16, of April 25th, 1900 : Article 23, amended by Decree No. 12, of November 17th, 1902 : Amendment No. 7.)

PURCHASE OF GOLD.

Neither the private banks nor the International Bank of Costa Rica nor the Conversion Office are required to purchase gold offered to them.

MINTING OF GOLD.

The Mint may coin gold for private persons but only upon the order of the Ministry of Finance. (Decree No. 3, of October 24th, 1896 : Article 3.)

Foreign gold coin, provided that its fineness is not less than that of domestic gold coin, circulates legally at rates fixed by the Federal Executive. (Decree No. 3, of October 24th, 1896 : Article 17.)

EXPORT AND IMPORT OF GOLD.

Restrictions on the export of gold were removed by Decree No. 24, of June 11th, 1921. (See also Decree No. 17, of October 10th, 1922 : Article 16, final paragraph.)

The import of gold is unrestricted.

CUBA.

MINTING OF GOLD.

There is no Bank of Issue in Cuba. The only national currency is gold, silver, and nickel coin.

The monetary unit is the gold peso, and coins of 1, 2, 4, 5, 10, and 20 pesos are minted in gold. (Monetary Law of October 21st, 1914 : Articles 1 and 2.)

The money of the United States of America enjoys the same legal tender currency as does the national coin. (*Lex cit.* : Article 10.) More than four-fifths of the money in circulation is that of the United States of America. The latest statement published by the Cuban Treasury Department gives the following figures :

Cuban money in circulation :

Gold	\$23,786,750.00	
Silver	\$8,413,140.80	
Nickel	\$1,449,560.00	
Total...		\$33,649,450.80

United States of America money in circulation :

Gold	\$11,783,982.00	
Silver	\$1,211,722.60	
Nickel and bronze	\$182,289.88	
Paper	\$131,210,544.00	
Total...		\$144,388,538.48
Grand total.....		\$178,037,989.28

An institution designated by the Executive and the Cuban banks is charged with making the necessary provisions and arrangements for the coining of the national money, but the actual minting is done by the Mint of the United States of America. (*Lex cit.* : Articles 11 and 18.)

The minting of gold is legally unlimited. (*Lex cit.* : Article 3.) However, neither the coinage institution nor the Mint of the United States of America is required to purchase gold offered to them. (*Lex cit.* : Article 12.)

EXPORT AND IMPORT OF GOLD.

The export of both Cuban and United States of America coin is prohibited. The export of the coin of other countries, which is not legal tender, is permitted only through the three ports of Havana, Santiago and Cienfuegos. (Decree of April 21st, 1917.) The export of gold in bars or any other form as well as shavings, filings, etc., is prohibited except under special authorisation from the Treasury Department. (Decrees of October 4th, 1917, and May 3rd, 1920.)

The import of gold is unrestricted.

CURAÇAO.

REDEMPTION.

The Bank of Curaçao is required to redeem its notes in coin which has legal currency in the Colony. (Decree establishing New Statutes for the Bank of Curaçao : Article 1, section 3, paragraph 5.

RESERVE.

The Bank is required to hold a reserve in specie and bullion equal to $33\frac{1}{3}\%$ of its notes. (*Lex cit.* : Article 1, section 3, paragraph 11.) At the request of the Bank, the Governor may temporarily change this proportion in times of emergency. (*Lex cit.* : Article 1, section 3, paragraphs 12, 13 and 14.)

Place of Deposit : The above reserve must be held in the head office of the Bank at Willemstad. (*Lex cit.* : Article 1, section 3, paragraph 11.)

PURCHASE OF GOLD.

The Bank of Curaçao is not required to purchase gold offered to it.

MINTING OF GOLD.

Curaçao has no gold coinage of its own. The ten-florin and five-florin gold coins of the Netherlands circulate as legal tender. (Mint Law, of May 23rd, 1899 : Article 4.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

CZECHOSLOVAKIA.

REDEMPTION.

The National Bank of Czechoslovakia has the exclusive right to issue bank-notes.

State notes which were in circulation when the Bank commenced its operations (April 1st, 1926), as well as those which were put into circulation since, are considered as the Bank's own notes. (Law of April 14th, 1920 : Article 39; and the Law of April 23rd, 1925 : Article XII.)

The Bank is required to redeem its notes on demand in one of the following forms :¹

- (a) Gold coin of legal currency or gold in bars;
- (b) Gold exchange of full value at the rate of the day on the Prague Exchange.

The Bank has the right to choose between these forms. In no case may redemption be demanded of an amount corresponding in value to less than 12 kilogrammes of fine gold.

Should the Bank fail to redeem its notes within 24 hours of their presentation, and be unable to show a case of *force majeure*, it shall forfeit its privilege. (Law of November 7th, 1929 : Article 3, paragraph 2.)

RESERVE.

The Bank is required to hold a reserve equal at the end of 1929 to at least 25 %, at the end of 1930 to at least 30 %, and at the end of 1935 and from that time on to at least 35 % of the sum of its notes in circulation plus its other sight engagements.

One half of this reserve, at least, must be made up of gold coin or gold bullion. The remainder may consist of the following :

- (a) Foreign bank-notes and current coin;
- (b) Foreign exchange of full intrinsic value in the form either of drafts on the principal banking centres in Europe and America signed by sound banking institutions and otherwise complying with the rules of a bank draft, or of immediately recoverable balances held with unquestionably good banks in the principal banking centres of Europe and America.

The proportion between the reserve and the liabilities covered by it shall be calculated each trimester upon the basis of the average rates on the Prague Exchange during the final two weeks of the preceding trimester. (Law of November 7th, 1929 : Article 6.)

If the reserve ratio falls below the legal minimum, the Bank must pay a tax on the difference between the actual and permissible amounts of its note circulation. (Law of April 14th, 1920 : Article 30, and Law of April 23rd, 1925 : Article VIII; modified by the Law of November 7th, 1929 : Article 10, paragraph 2(b)).

Place of deposit : The place where the gold included in the reserve is to be held is not specified.

PURCHASE OF GOLD.

The Bank is required to purchase gold on demand at a fixed price, provided the quantity offered represents a value of at least 12 kilogrammes of pure gold.² The Bank is authorised to deduct from the price paid the expenses of assay and minting at the rate fixed by the State Mint. (Law of November 7th, 1929 : Article 3, paragraph 1.)

¹ It is provided that the Government, after consulting the Bank, shall issue a decree fixing the date on which paragraphs 1 and 2 of the Law of November 7th, 1929, which concern the redemption of notes and purchase of gold, shall come into force. (Law of November 7th, 1929 : Article 3, paragraph 3.) This has not yet been done.

MINTING OF GOLD.

It is provided that coins of 100 crowns shall be minted in gold. A Government decree shall fix the date on which the Mint shall begin to mint such coins on behalf of the State and that on which it shall be authorised to mint the said coins without restriction on behalf of individuals. (Law of November 7th, 1929 : Article 4.)

EXPORT AND IMPORT OF GOLD.

All restrictions on the export of gold were removed on January 17th, 1927.
The import of gold is unrestricted according to Item 560 of the Tariff Regulations.

FREE CITY OF DANZIG.

REDEMPTION.

The Bank of Danzig is required to redeem its notes (in amounts of at least 1,000 gulden) in cheques on London as soon as the rate drops to 19s. 10*d.* per 25 gulden. The Bank is also required to issue cheques on London in exchange for "Danzig gulden". (Annex entitled "Notenprivileg" to the Bank Law of November 20th, 1928, paragraph 11.)

RESERVE.

The Bank is required to keep a reserve of gold coins, notes of the Bank of England, or sight assets in sterling with the Bank of England, of at least one-third of its note circulation as long as its note circulation does not exceed 40 million gulden (figure fixed by Senate Decree of November 12th, 1927). Any notes issued in excess of this limit have to be covered to their full value by the reserve, and a tax has to be paid on the excess. (*Lex cit.* : paragraphs 8, 9 and 10.)

Place of deposit : The place where the gold coins included in the reserve are to be held is not specified.

PURCHASE OF GOLD.

The Bank of Danzig is not required to purchase gold, but is required to buy sterling through its London agents against cheques on Danzig of at least 1,000 gulden if offered at a rate not higher than £1 0*s.* 1*d.* per 25 gulden. (*Lex cit.* : paragraph 12.)

MINTING OF GOLD.

The Government alone enjoys the right to have gold coined. (Mint Law of November 20th, 1923 : Article 1.)

The Free City of Danzig has no mint of its own, and consequently the Government has its coins minted abroad.

EXPORT AND IMPORT OF GOLD.

(The Free City of Danzig is subject to the Polish Customs Law and the Polish Customs Tariff.)

The export of gold is unrestricted. (The decree of the President of the Polish Republic of February 15th, 1928, does not apply to the Free City of Danzig.)

The import of gold is unrestricted.

(Independently of any regulations of the Polish Customs tariff which may be in force, the import and export of gold, in so far as the territory of the Free City of Danzig is concerned, remains free of Customs duty under Article 11 of the Treaty concluded between Poland and the Free City of Danzig at Geneva on September 22nd, 1923.)

DENMARK.

REDEMPTION.

The National Bank in Copenhagen, according to Article 7, paragraph 5, of the Law of July 12th, 1907, was required to redeem its notes on demand in legal tender gold coin, but on August 2nd, 1914, this provision was suspended. The Law of December 27th, 1926, renewed the obligation, but with the limitation that the Minister of Industry, Commerce and Shipping could stipulate that redemption need only be made when notes were presented to the amount of 28,000 kroner or multiples thereof, and that the Bank should have the option of making payment in Danish gold coin at face value, or in gold in bars or any other form at the rate of 2,480 kroner per kilogramme of fine gold. This limitation which, in accordance with the Law of December 27th, 1926, would have expired on December 31st, 1929, was extended to the end of 1930 by the Law of December 23rd, 1929.

RESERVE.

The Bank is required to keep a metallic reserve equal to 50 % of the nominal value of the notes in circulation. This reserve may consist of :

- (a) Domestic legal tender gold coins and domestic fractional coins at face value, foreign gold coins at the minting parity, and gold bullion. This item shall make up not less than three-fifths of the obligatory metallic reserve (30 % of note circulation), and the stock of legal tender gold coins shall make up not less than one-fourth of the obligatory metallic reserve ($12\frac{1}{2}$ % of the note circulation).
- (b) The Bank's non-interest-bearing demand balances with the Bank of Norway and the Swedish Riksbank, less the Bank's debt to these two Banks.
- (c) The Bank's non-interest-bearing balance on giro account with the German Reichsbank.¹

The remaining 50% of the note circulation must be covered by a securities reserve made up of bonds for loans against collateral security, domestic and foreign bills of exchange, credit balances payable on demand with foreign correspondents, public bonds at rates officially quoted, and mortgages for loans on real estate for an amount of not more than six million kroner. The securities reserve must be held to the proportion of 125 kroner of assets to 100 kroner of notes. (Act of July 12th, 1907 : Article 7, paragraphs 1, 2 and 3.)

Under special circumstances, modification of the above reserve requirements may be granted by royal proclamation for a period up to two years, subject to the payment of a tax. (*Lex cit.* : Article 7, paragraph 8.)

Place of deposit : The Bank may include in its metallic reserve only the gold held in its vaults and the gold bullion sent to the Mint and held there earmarked for the Bank's account. (*Lex cit.* : Article 7, paragraph 2.)

PURCHASE OF GOLD.

The Bank is required to purchase gold bullion on demand at a fixed price (1 kilo fine gold = 2,480 Kroner), less $\frac{1}{4}$ per cent seignorage and the assay expenses if the gold offered for sale is not provided with such stamps as are recognised by the Bank. (*Lex cit.* : Article 7, paragraph 5.)

¹ The term "balance" here does not mean "net balance", because the non-interest-bearing balance on giro account with the German Reichsbank is not reduced by a possible debt as the latter is interest-bearing.

MINTING OF GOLD.

The Government Mint is required to accept gold on demand from any person and to give in exchange 10-Kroner or 20-Kroner pieces on payment of $\frac{1}{3}\%$ of the value of the amount minted in the case of the former and $\frac{1}{4}\%$ of such value in the case of the latter. (Law of May 23rd, 1873, on the Monetary System : Article 12.)

EXPORT AND IMPORT OF GOLD.

The export of gold—in coin and bars—is permitted to such countries where the Central Bank is bound to buy and sell gold and from where there is free gold export to Denmark. (Ministry of Justice Proclamation of January 11th, 1927.)

The import of gold is unrestricted.

ECUADOR.

REDEMPTION.

The Central Bank of Ecuador is required to redeem its notes on demand at its head office and its principal branches, in one of the following, the option resting with it :

- (a) Ecuadorian gold coin, as authorised by the Currency Law of March 4th, 1927;
- (b) Gold bars, approximately 100% fine and weighing not less than 500 grammes, calculated according to their fine gold content;
- (c) Gold coin of the United States of America or Great Britain at fixed rates, provided they are within the legal tolerance;
- (d) Drafts payable in gold at sight or at three days' notice, and drawn on funds deposited in banks of established reputation in New York or London. In this case, the Bank may charge a premium, which shall not exceed the sum necessary to cover the cost of shipping gold bars from Quito to London or New York. (Organic Law of the Central Bank of Ecuador : Article 57.)

The Central Bank is required to redeem in the same manner as its own notes all notes put into circulation by the former banks of issue, and by the Central Office, whose liabilities the Central Bank took over when it opened. (*Lex cit* : Articles 64, 65, 66 and 67.)

Should the Bank fail to redeem its notes as provided, it shall be declared bankrupt and be immediately put into liquidation. (*Lex cit* : Article 60.)

RESERVE.

The Bank is required to hold a reserve equal to 50% of the value of its notes in circulation plus its deposits. This reserve may consist only of the following :

- (a) Gold coin or bars held in the vaults of the Bank;
- (b) Gold coin or bars deposited in first-class banks abroad;
- (c) Deposits in first-class banks in New York or London, payable at sight or at three days' notice in gold.

The reserve may be distributed among these forms in such proportion as the Board of Directors may see fit. (*Lex cit* : Article 78.)

The Bank is required to hold a reserve of 50%, constituted in the same manner, against the notes in circulation of the former banks of issue and of the Central Office. (*Lex cit* : Article 79.)

If the reserve ratio falls below the statutory minimum, the Bank must pay a graduated tax to the Government. The discount rate must not be less than 7% per annum if the reserve ratio remains below the statutory minimum for a week or more. Over and above this 7%, the rate must be increased by at least one-half of the rate of the tax payable on account of the deficiency. (*Lex cit* : Articles 80, 81, and 82.)

Place of Deposit : See (a), (b), and (c) above, under " Reserve ".

PURCHASE OF GOLD.

The Bank is required to pay out its notes on demand, at its head office and its principal branches, in exchange for the following :

- (a) Ecuadorian gold coin, as authorised by the Currency Law of March 4th, 1927, provided its weight is within the legal tolerance;
- (b) Ecuadorian gold coin of previous issues at its fine gold value according to the law which authorised its minting, provided its weight is within the legal tolerance;

(c) Other gold coin or bars approximately 100% fine and weighing not less than 500 grammes, calculated according to their fine gold content;

(d) Deposits payable at sight in gold credited to the account of the Bank in banks in New York or London where the Bank keeps a deposit account forming part of its legal reserve. In this case, the Bank may charge a premium which shall not exceed the sum necessary to cover the cost of shipping gold bars from New York or London to Quito. (*Lex cit* : Article 59.)

MINTING OF GOLD.

The Bank, as the agent of the Government, is required to receive gold for minting at a fixed rate in amounts of 10,000 condors¹ or over, and is required to have this gold minted into Ecuadorian gold coin of the denominations specified by the Government. For this service, the Bank shall charge only the cost of minting and other expenses, according to a fixed schedule. (Currency Law of March 4th, 1927 : Article 3.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted. (Currency Law of March 4th, 1927 Article 22.)

¹ The monetary unit is the sucre; 25 sucres equal one condor.

EGYPT.

REDEMPTION.

The National Bank of Egypt is required in principle to redeem its notes in gold.¹ (Statutes of the National Bank : Article 4, paragraph 1.)

RESERVE.

The Bank is required, in principle, to keep against its notes a reserve as follows :

- (a) At least 50% in gold²;
- (b) The remainder in securities valued at their market price, but not above par, and chosen by the Government. (*Lex cit.* : Article 5.)

Place of deposit : Unspecified.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The minting of gold is not free. There is, moreover, no mint in Egypt. Gold coins bearing Egyptian designs have, in recent years, been struck in the Royal Mint, London, under contract with the Egyptian Government.

EXPORT AND IMPORT OF GOLD.

A special authorisation from the Government is required for each exportation of gold. The import of gold is unrestricted.

¹ At the beginning of the war, a Government Decree declared the notes inconvertible.

² In 1916, the Government allowed the Note Issue Department of the Bank to hold British Treasury Bills in lieu of gold. The Issue Department at present holds just over £3,000,000 in gold, and the Banking Department about £500,000.

ESTONIA.

REDEMPTION.

The Eesti Pank is required on demand to redeem its notes in foreign exchange on a gold standard country¹ at a fixed rate. No person shall be entitled to demand redemption of an amount less than 5,000 kronas. (Statutes of the Eesti Pank : Article 3.)

RESERVE.

The Bank is required to maintain a reserve of not less than 40 % of the amount of its notes in circulation plus other demand liabilities. (*Lex cit.* : Article 58.) The reserve can include only gold coin and bullion owned by the Bank at home or abroad or in transit, and foreign exchange convertible into exportable gold at the center where the exchange is held. The term "foreign exchange" shall be taken to mean only net balances with banks abroad, foreign bills of exchange of periods not longer than three months, and obligations of foreign Governments not exceeding six months. (*Lex cit.* : Article 59.)

At the request of the Bank, the Government may suspend the above reserve requirements for a period of thirty days, further renewable for not more than fifteen days at a time, subject to the payment of a progressive tax. (*Lex cit.* : Article 60.)

Place of deposit : The gold included in the reserve must be either in the custody of the Bank, or deposited in other Central Banks and earmarked for the Eesti Pank's account, or in any mint, or in transit to or from the Eesti Pank. (*Lex cit.* : Article 59(a).)

PURCHASE OF GOLD.

The Eesti Pank is not required to purchase gold but is required on demand to purchase foreign exchange on a gold standard country at a fixed rate¹. No person shall be entitled to demand purchase of an amount less than 5,000 kronas. (*Lex cit.* : Article 3.)

MINTING OF GOLD.

Paragraph 4 of the Monetary Law does not provide for gold coin.

EXPORT AND IMPORT OF GOLD.

The export of gold is unrestricted. (Export Customs Tariff : Chapter II B, Article 1, revised note.)

The import of gold is unrestricted except in certain manufactured forms. (Import Customs Tariff.)

¹ Foreign exchange is at present bought and sold on London. (Notifications by Eesti Pank of December 30th, 1927 and May 20th, 1930.)

FINLAND.

REDEMPTION.

The Bank of Finland is required to redeem its notes on demand at its option in Finnish gold coin, bullion, or foreign gold exchange, the latter not to be more than one per cent above par. (Monetary Law of December 21st, 1925 : Article 12; and Regulations of the Bank of Finland : Article 8.)

RESERVES.

The Bank of Finland is required to keep a gold reserve of gold coin and bullion of at least 300 million marks.

The foreign exchange held as cover above the gold reserve falls into two categories :

1. "Undisputed balances of the Bank with its foreign correspondents." The total of the note circulation and sight liabilities is not to exceed by more than 1,200 million marks the total of the gold reserve and of these undisputed foreign balances.

2. Bills payable abroad, foreign bonds quoted on foreign stock exchanges, interest coupons in foreign currency which have fallen due, foreign bank-notes.

All excess of the total of the note circulation plus sight liabilities over the total of the gold reserve plus the undisputed foreign balances, which is not covered by inland bills of less than three months' period, must be covered in full by the four classes of foreign exchange named in 2. There is therefore no definite reserve percentage. (Regulations of the Bank of Finland : Articles 6 and 7.)

Place of deposit : The gold included in the reserve must be either in the Bank or in course of transport for the account of the Bank. (*Lex cit.* : Article 1.)

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

Every person submitting not less than 40 grammes of gold to the Finnish Mint for coining is entitled, after the weight and fineness of the gold have been examined, to receive from the Bank of Finland gold coin of a value corresponding to that of the fine gold, after one-third per cent of the aforesaid value has been deducted for covering the cost of coining. For such coining no other charges or taxes may be made. (Monetary Law of December 21st, 1925 : Article 10.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted. (Monetary Law of December 21st, 1925 : Article 10.)

FRANCE.

REDEMPTION.

The Bank of France is required to redeem its notes in gold on demand. The Bank has the choice between French gold coins and gold bullion. By agreement between the Minister of Finance and the Bank, a minimum can be fixed for the amounts to be redeemed. For the present, the minimum has been fixed at 215,000 francs, which corresponds approximately to the most usual weight of gold bars. (Monetary Law of June 25th, 1928 : Article 3.)

RESERVE.

The Bank of France is required to hold a reserve in gold of at least 35 % of the total sum of the note circulation plus current credit accounts. (*Lex cit.* : Article 4.)

Place of deposit : The place where the gold included in the reserve is to be held is not specified.

PURCHASE OF GOLD.

The Bank of France is required to purchase gold on demand at a fixed price minus minting and assaying costs. There is no statutory minimum regarding amount. (*Lex cit.* : Article 3.)

MINTING OF GOLD.

The Mint may at present accept gold for coining only from the Bank of France. It is provided that a date will be set by a Decree of the Council of Ministers after which the Mint will resume the free minting of gold for private persons. (*Lex cit.* : Article 6.) This has not yet been done.

EXPORT AND IMPORT OF GOLD.

Restrictions on the export of gold were removed by the Monetary Law of June 25th, 1928. Article 12 which was put into execution by the Presidential Decree of July 5th, 1928.

The import of gold is unrestricted.

FRENCH WEST AFRICA.

The Bank of West Africa has charge of the currency circulation in the territories of French West Africa, French Equatorial Africa, the Cameroons and French Togoland.

REDEMPTION.

The Bank of West Africa is required on demand to redeem its notes in money which is legal tender in France. (Law Renewing the Note-Issuing Privilege of the Bank of West Africa, January 29th, 1929 : Article 2.)

RESERVE.

The Bank is required to hold a reserve of at least one third of the value of its notes in circulation. The reserve may be composed of the following :

- (a) Gold, on the basis of the monetary definition of the franc.
 - (b) Coin which is legal tender in France.
 - (c) Sight deposits in currencies convertible into gold, calculated at par.
 - (d) A credit held in a special non-interest-bearing account with the Treasury.
- (Statutes of the Bank of West Africa : Article 15, paragraph 1.)

The Bank may not put into circulation notes to more than the sum of 1,000 million francs, except under special dispensation from the Minister of Colonies in agreement with the Minister of Finance. (Law Renewing the Note-Issuing Privilege of the Bank of West Africa, January 29th, 1929 : Article 4.)

Place of deposit : The place where gold included in the reserve is to be held is not specified.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The issue of gold coin is not authorised for the territories of French West Africa, French Equatorial Africa, the Cameroons and French Togoland.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

GERMANY.

REDEMPTION.

The Reichsbank is required to redeem its notes in one of the following forms, the option resting with it :

- (a) German gold coins;
- (b) Gold bars of a value of not less than 1,000 Reichsmarks or more than 35,000 Reichsmarks;
- (c) Cheques or orders to pay in foreign currency, which, according to Article 27 of the Statutes of the Reichsbank, must be drawn on a foreign central note-issuing bank. The Reichsbank may in this case charge a commission. (The Bank Law of August 30th, 1924 : Article 31—put into force in accordance with Article 52 by a decision taken by the Management and General Board (*Direktorium* and *Generalrat*) of the Reichsbank on April 15th, 1930, approved by the Government on April 17th, 1930, and put into effect as from May 17th, 1930.)

RESERVE.

The Reichsbank is required to hold a reserve of at least 40 % against its note circulation. This reserve must consist not less than three-quarters of gold (30 % of the note circulation) and the rest of foreign exchange. The foreign exchange must be calculated at its gold value for the time being and may consist of bank-notes, or bills of exchange having not more than 14 days to run, or cheques and claims due from day to day, payable in foreign currency by a bank of known solvency in foreign financial centres. Over and above this reserve, the note circulation must be covered to its full amount by discounted bills of exchange or cheques. (The Bank Law of August 30th, 1924 : Article 28.)

In exceptional circumstances the reserve may be allowed to fall below 40 % against the payment of a graduated tax. (*Lex cit.* : Article 29.)

Place of deposit : The gold included in the above reserve must be held in the possession of any office of the Bank or be deposited with any foreign central note-issuing bank in a manner to be at all times at the free disposal of the Reichsbank.

The Reichsbank is also required to hold a reserve of at least 40 % against its other sight liabilities, with the exception of reparations accounts. This reserve must consist of sight deposits in Germany and abroad, cheques on other banks, bills of exchange for 30 days or less, or claims recoverable at call arising from debts covered by pledges. (*Lex cit.* : Article 35.)

PURCHASE OF GOLD.

The Reichsbank is required to purchase bar gold offered to it at a fixed price. (*Lex cit.* : Article 22.)

MINTING OF GOLD.

The German mints, in so far as they are not employed on work for the Reich, are required to coin gold for private persons on demand. (The Mint Law of August 30th, 1924 : Article 7.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted. The restrictions of the war and inflation period were removed on December 4th, 1924.

GREAT BRITAIN.

REDEMPTION.

The Bank of England is required to redeem all legal tender in gold bullion but only in the form of bars containing approximately 400 ounces troy of fine gold. (The Gold Standard Act of 1925 : Articles 1 and 2; amended by the Currency and Bank-notes Act of 1928 : Schedule, Final Item.)

RESERVE.

The Bank of England has the right to issue 260 million pounds in excess of its gold reserve. The gold reserve must consist of gold coin and gold bullion held by the issue department of the Bank. The amount of the notes issued over and above the gold reserve (the fiduciary note issue) must be fully covered by securities and silver coin, the latter at no time to exceed five and one-half million pounds. The securities reserve is made up of :

1. The Government debt to the Bank (this debt stands traditionally at £11,015,000);
2. Other Government securities;
3. Other securities.

There is no restriction as to the kind of securities comprised in "other securities" or as to the relationship which the above three classes shall bear to each other. (Currency and Bank-notes Act of 1928 : Articles 2 and 3.)

Place of deposit : The gold coin and bullion included in the reserve must be held on account of the Issue Department of the Bank. (*Lex cit.* : Article 2.) The place in which this gold is to be kept is not specified.

PURCHASE OF GOLD.

The Bank of England is required to purchase gold offered at a certain price. (An Act to regulate the Issue of Bank-notes, July 19th, 1844 : Article IV.)

The Bank of England has the right to require any person in the United Kingdom who owns any gold coin or gold bullion to an amount exceeding ten thousand pounds in value to sell to the Bank the whole or any part thereof, provided such gold is not going to be immediately exported or is not required for industrial purposes. (The Currency and Bank-notes Act of 1928 : Article 11.)

MINTING OF GOLD.

Only the Bank of England is entitled at present to bring gold for coining to the Mint. (The Gold Standard Act of 1925 : Article 1, paragraph 1(c).)

EXPORT AND IMPORT OF GOLD.

Both the export and the import of gold are unrestricted. The Gold and Silver, Export Control, etc., Act of 1920 lapsed on December 31st, 1925.

GREECE.

REDEMPTION.

The Bank of Greece is required to redeem its bank-notes, on demand in amounts over 10,000 drachmæ, at the fixed rate in the legal tender currency of such foreign gold-standard country, or countries, as is by law and in practice convertible into exportable gold.¹ (Statutes of the Bank of Greece : Article 5.)

RESERVE.

The Bank is required to keep a reserve of not less than 40 % of the value of its notes in circulation plus other demand liabilities. The reserve shall include only :

(a) Gold coin and bullion in the unrestricted ownership of the Bank, and either in the custody of the Bank or deposited in another Central Bank, or in any Mint, or in transit;

(b) Net foreign gold exchange in the unrestricted ownership of the Bank, provided that it be either :

1. On a country the currency of which by law and in practice is convertible on demand at a fixed price into exportable gold, or

2. On a country the currency of which by law and in practice is convertible on demand at a fixed price into foreign exchange as defined in (1).

“Net foreign gold exchange” is taken to mean :

1. Balances standing to the credit of the Bank at the Central Bank of a foreign country;

2. Bills of exchange payable in a foreign currency, maturing within three months, and bearing at least two good signatures;

3. Treasury bills, Treasury certificates of indebtedness or similar obligations of a foreign government, maturing within three months :
less any liabilities in foreign exchange.

In calculating the amount of the reserve, should it be found that the liabilities in foreign exchange exceed the assets enumerated in the paragraphs numbered 1, 2 and 3 above, the excess shall be deducted from the other assets of the reserve. (*Lex cit.* : Articles 61 and 62.)

At the request of the Bank the Government may suspend the above reserve requirements for a period not exceeding thirty days or renewable for more than fifteen days. In the event of such suspension the Bank must pay a graduated tax to the Government on the amount by which the note circulation and other demand liabilities exceed the maximum ordinarily admissible. (*Lex cit.* : Article 63.)

Place of deposit : See above under (a).

PURCHASE OF GOLD.

The first duty of the Bank is to ensure that the gold value of its notes remains stable. (*Lex cit.* : Article 4.)

For this purpose the Bank is required to purchase, on demand in amounts over 10,000 drachmæ at the fixed rate, the legal tender currency of such foreign gold standard country, or countries, as is by law and in practice convertible into exportable gold.¹ (*Lex cit.* : Article 5.)

¹ Foreign exchange is bought and sold at present on London (Decree-law of May 12th, 1928).

MINTING OF GOLD.

According to the Decree-law of November 10th, 1927, the Treasury may strike and put into circulation through the Bank of Greece and at the Bank's request coins of a denomination which may not exceed ten drachmæ. The composition, weight, size, remedy and standard of the coin is determined by Decree issued on the proposal of the Minister of Finance. Up to the present no legal provision for gold coins has been made. There is, moreover, no mint in Greece, subsidiary coin being minted abroad.

EXPORT AND IMPORT OF GOLD.

Export permission was formally granted to the Bank of Greece by the Decree-law of November 10th, 1927. Apart from this the export of gold is prohibited.

The import of gold is unrestricted.

GUATEMALA.

The Central Bank of Guatemala has the exclusive privilege of issuing bank-notes. (Presidential Decree creating the Central Bank of Guatemala : Article 3.) The Central Bank is required to redeem, in the same manner as its own notes, and to hold the same reserve against, the notes which are still in circulation of the Banco Agrícola Hipotecario, the Banco Americano de Guatemala, the Banco Colombiano, the Banco de Guatemala, the Banco Internacional, the Banco de Occidente, and the Exchange Regulating Office (*Caja Reguladora*), which organisations enjoyed the right of note issue before the Central Bank was given the exclusive privilege on June 30th, 1926. (*Lex cit.* : Articles 27 and 28.)

REDEMPTION.

The Central Bank is required to redeem its notes (see first paragraph) on demand in quetzals,¹ or in United States of America dollars, or in sight drafts on New York, New Orleans, San Francisco or other foreign centres authorised by the Ministry of Finance. The choice between these methods rests with the Bank. Drafts will not be issued for less value than 100 quetzals, unless otherwise agreed, and on them the Bank may charge a fixed commission. (Presidential Decree creating the Central Bank of Guatemala : Article 28. Legislative Decree No. 1379 : Article 46. Presidential Decree No. 1406 : Article 31.)

RESERVE OF THE CENTRAL BANK AGAINST BANK-NOTES.

I. The Central Bank is required to hold a reserve equal to at least 40% of its notes (see first paragraph). The reserve must be composed (with the slight exception given below) of gold held in the vaults of the Bank, or of deposits in first-class credit institutions abroad, payable at sight in gold. At least one-third of this 40%—*i.e.*, 13.33% of the notes—must consist of coin held in the vaults of the Bank. Of this coin 90%—*i.e.*, 12% of the notes—must be gold, and the remaining 10%—*i.e.*, 1.33% of the notes—may consist of one-quetzal, half-quetzal or quarter-quetzal silver coins. (Presidential Decree creating the Central Bank of Guatemala : Article 27, paragraph (a). Presidential Decree No. 1406 : Article 17.)

II. The Central Bank is required to cover the remaining 60% of its notes by the following classes of assets :

- (1) Gold or silver bars, the latter valued at the New York rate;
- (2) Bank-notes or bonds approved by the Ministry of Finance;
- (3) Domestic or foreign gold coin, the latter at their bullion value;
- (4) Silver and aluminium-bronze coins;
- (5) Mortgage bonds and other securities issued by specially named banks;
- (6) Shares and debentures issued by national companies, provided :

(a) That they are quoted on a first-class Stock Exchange (this provision need not be complied with in the case of the shares and debentures of some specially named banks),

(b) That dividends have been paid on the former and interest on the latter regularly for at least five years prior to their acquisition,

(c) That they do not exceed 10% of the note issue and deposits (see paragraph IV below).

- (7) Loans, discounts and credits on current account with certain stipulated guarantees;

¹ Twenty, ten, and five-quetzal coins are of gold. One-quetzal, half-quetzal, and quarter-quetzal coins are of silver. (Legislative Decree No. 1379 : Article 2.)

(8) Bills of exchange on foreign countries actually discounted by the Bank. (Presidential Decree creating the Central Bank of Guatemala : Article 27, paragraph (b). Presidential Decree No. 1406 : Articles 40 and 41.)

Place of Deposit : See paragraph I above.

RESERVE OF THE CENTRAL BANK AGAINST DEPOSITS.

III. The Central Bank is required to hold a reserve of at least 25% against its deposits payable at sight or within 30 days. This reserve must be composed in the same manner and in the same proportions as the fundamental reserve held against the note issue (see paragraph I above). It may also be held in the currency in which the deposits are payable.

IV. The Central Bank is required to cover the remaining 75% of its deposits payable at sight or within 30 days by a reserve composed of the same classes of assets as the secondary reserve held against the note issue (see paragraph II above). (Presidential Decree creating the Central Bank of Guatemala : Article 29. Presidential Decree No. 1406 : Article 18.)

Place of Deposit : See paragraph I above.

PURCHASE OF GOLD.

The Central Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The Government is required to coin gold on demand for private persons. (Decree No. 970 : Article 1, amending Legislative Decree No. 1379 : Article 8.)

The Government is required to give gold coin on demand in exchange for other coin of legal currency. (Decree No. 970 : Article 4, amending Legislative Decree No. 1379 : Article 14.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted. (Legislative Decree No. 1379 : Article 15.)

HUNGARY.

REDEMPTION.

The National Bank of Hungary is not yet required to redeem its notes. The moment when redemption will begin is, in accordance with Article 83 of the Bank Statutes, to be fixed by a law in agreement with the Bank. This article stipulates that two conditions have previously to be fulfilled :

(a) The new relation of the currency unit to gold must be fixed. This was done by an Act of the National Assembly of November 21st, 1925, which created the new currency, the pengő, of fixed gold value. (Act XXXV of 1925.)

(b) The debt of the Government to the Bank must be reduced to 30 million gold crowns. This debt amounted on December 31st, 1929, to 75,563,643 gold crowns (87,543,237 pengő). On December 31st of the last five calendar years the debt stood as follows (in gold crowns) :

	<i>Total Debt</i>	<i>Year's Reduction</i>
	Gold crowns	Gold crowns
1925	134,944,153	—
1926	116,290,583	18,653,570
1927	96,163,480	20,127,103
1928	83,936,825	12,226,655
1929	75,563,643	8,373,182

When redemption becomes obligatory, the Bank will be required to redeem its notes on demand in "legal metal currency", and this requirement must be indicated in the text of the notes. (Statutes of the National Bank of Hungary : Article 80.)

RESERVE.

The rules as to reserves are different for the periods before and after redemption becomes obligatory.

1. *Until Redemption becomes Obligatory :*

The note circulation and the sight liabilities, minus the Government debt, have to be covered as follows : By a metal reserve during the first five years of 20%, during the second five years of 24% (present stage), during the third five years of 28% and during the remainder of the period 33 $\frac{1}{3}$ %. If the reserve ratio during this period falls below these requirements a tax must be paid (Statutes of the National Bank of Hungary : Article 88).

A minimum of 25 million gold crowns must at all times be held in foreign credits in leading money centres. This amount may, however, be decreased by a decision of the Board of Directors approved by not less than eight Directors and the Governor of the Bank. (Statutes of the National Bank of Hungary : Article 85, final paragraph.)

2. *After Redemption becomes Obligatory :*

The note circulation and the sight liabilities must be secured by a metal reserve of not less than 33 $\frac{1}{3}$ %. The State debt is no longer deducted (Statutes of the National Bank of Hungary : Article 87). A tax must be paid if the reserve ratio falls below 40% (Statutes of the National Bank of Hungary : Article 89).

In both periods the reserve may include foreign bank-notes and bills of exchange. Foreign bank-notes and bills of exchange may be held only in currencies which are not subject to extraordinary fluctuations of the rates of exchange. Credit balances and cash deposits abroad

available at sight and held in banks of unquestioned solvency may also be included in the reserve. (Statutes of the National Bank of Hungary : Article 85.)

(For the requirements in addition to the metal reserve, see Annex : Statutes of the National Bank of Hungary : Article 86.)

Place of deposit : The choice of the place where the metal reserves are to be held rests with the Administration of the Bank, whose power in this respect is unrestricted.

PURCHASE OF GOLD.

The Bank is required to purchase gold bullion offered it at the minting parity minus costs. (Statutes of the National Bank of Hungary : Article 92.)

MINTING OF GOLD.

The Royal Hungarian Mint is not at present required to coin gold for private persons on demand. Provisions have been made regarding the minting of gold for the account of private persons including the National Bank of Hungary but the decree which will put these provisions into effect has not yet been issued. (Act XXXV of 1925, and Decree No. 6832/P.M. (November 20th, 1925) of the Minister of Finance.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold have been unrestricted since January 1st, 1925. (Decree No. 8250/M.E. of 1924.)

ICELAND.

The National Bank of Iceland (*Landsbanki Islands*) operates through three financially independent departments, called respectively the Note Bank, the Savings Department and the Mortgage Department. (Act No. 10, of April 15th, 1928, on the National Bank of Iceland : Article 1.) The Note Bank has the sole right of issuing bank-notes.¹ (*Lex cit.* : Article 6.)

REDEMPTION.

The Note Bank is required to redeem its notes on demand in current gold coin which is legal tender. If, however, the amount presented for redemption does not correspond to the denominations of the gold coins, the balance may be given in change. (*Lex cit.* : Article 7.)²

RESERVE.

The Note Bank is required to keep a gold reserve equal to three-eighths of the note circulation.³ The gold reserve may never be allowed, however, to fall below two million krónur. (*Lex cit.* : Article 8, paragraph 1.)

The gold reserve may be composed only of the following :

- (a) Current gold coin which is legal tender;
- (b) Unminted gold and foreign gold coin at a rate of not less than 2,480 krónur per kilogramme of fine gold;
- (c) Demand deposits in foreign banks which are considered by the Board of Governors to be perfectly safe and are sanctioned by the Minister of Finance, less any debts to the banks in question. This item may not exceed 25% of the total gold reserve. (*Lex cit.* : Article 9.)

That part of the note circulation which is not covered by the gold reserve must be covered by safe and easily convertible assets to the extent of 125 krónur of assets against every 100 krónur of notes. (*Lex cit.* : Article 8, paragraph 2.) For the classes of assets permitted, see Article 10 of this law in the Annex.

Place of deposit : The gold included in the reserve must be held in the vaults of the Bank, with the sole exception that gold in transit from abroad to the Bank may also be included, though not in excess of 300,000 krónur at any one time. (*Lex cit.* : Article 9, final paragraph.)

PURCHASE OF GOLD.

The Note Bank is required to purchase fine gold bullion on demand at a fixed price (2,480 krónur per kilogramme, less $\frac{1}{2}$ % for minting expenses). (*Lex cit.* : Article 7.)²

MINTING OF GOLD.

Iceland has no gold coinage of its own. Danish coin circulates as legal tender.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

¹ The Bank of Iceland (*Islandsbanki*) was established by the Law of June 7th, 1903, with the sole privilege of issuing bank-notes in Iceland for thirty years. By the Law of May 31st, 1921, it was enacted that the note-issuing privilege of the Bank of Iceland should lapse on December 31st, 1933, by which date its all notes must be withdrawn from circulation.

² The provisions of Article 7 will come into force when the Athling decides. The decision has not yet been taken. Until it is, the Minister of Finance may exempt the Bank from the provision that amounts standing to its credit abroad shall not exceed 25% of the total gold reserve. (*Lex cit.* : Article 64.)

³ In addition to the notes covered by the gold reserve, the Bank was entitled to issue up to one million krónur of uncovered notes on the condition that this issue be reduced by 100,000 krónur before November 1st, 1929, and thereafter by the same amount annually. (*Lex cit.* : Article 65.)

INDIA.

REDEMPTION.

The Government is required to redeem its notes in gold or (at its option) in sterling on London. No person shall be entitled to demand redemption in either gold or sterling of an amount of less value than that of 1,065 tolas of fine gold. (The Currency Act of 1927 : Article 5, paragraph 1.)

RESERVE.

The reserves which the Government of India is required to keep against its notes are at present governed by the so-called Temporary Provisions. As soon as convenient after the reserves shall have been established in the relation provided for under the Permanent Provisions the Governor-General in Council shall fix a day when the Temporary Provisions shall cease and the Permanent Provisions shall come into force. (The Paper Currency Act of 1923 : Article 19, paragraphs 1, 2.)

Temporary Provisions.

While the Temporary Provisions are in force the whole amount of currency notes at any time in circulation shall not exceed the total amount represented by the rupees, silver half-rupees and gold bullion, and the sum expended in the purchase of the silver bullion and securities held by the Secretary of State for India in Council and by the Governor-General in Council. The securities held shall be securities of the United Kingdom or of the Government of India, or securities issued by the Secretary of State for India in Council, of a total value of not more than 1,000,000,000 rupees. (The Paper Currency Act of 1923 : Article 19, paragraphs 3, 4; amended by the Paper Currency Act of 1925 : Article 2.)

Permanent Provisions.

When the Permanent Provisions have come into force the Government shall be required to secure its notes by a metallic reserve and a securities reserve. The metallic reserve must equal at least 50 % of the note circulation and the remainder of the note circulation must be fully covered by the securities reserve. (The Paper Currency Act of 1923 : Article 18, paragraphs 2, 3, 7, 8; amended by the Currency Act of 1927 : Article 3, paragraph (d) (ii).)

The Metallic Reserve shall consist of the total amount represented by the rupees, silver half-rupees, and gold and silver bullion for the time being held on that account by the Secretary of State for India in Council and by the Governor-General in Council. (The Paper Currency Act of 1923 : Article 18, paragraph 4; amended by the Currency Act of 1927 : Article 3, paragraph (d) (i).)

The Securities Reserve shall consist of the securities which are for the time being held on that account by the Secretary of State for India in Council and on behalf of the Governor-General in Council. Provided that :

(a) No securities held by the Secretary of State for India in Council, other than securities of the United Kingdom the date of maturity of which is not more than one year from the date of their purchase, shall be included; and

(b) The securities held on behalf of the Governor-General in Council shall be securities of the Government of India and shall not exceed 200,000,000 rupees of which not more than 120,000,000 rupees may be securities created by the Government of India and issued to the Controller. (The Paper Currency Act of 1923 : Article 18, paragraph 5.)

In both periods the Governor-General in Council may authorise the issue of not more than 120,000,000 rupees of currency notes against bills of exchange which will mature within ninety days from the date of issue. No metallic reserve is required for such notes. (The Paper Currency Act of 1923 : Article 20; amended by The Paper Currency Amendment Act of 1923 : Article 4.)

Place of deposit : The place where the metallic reserves are to be held is unspecified under the Temporary Provisions, but under the Permanent Provisions there exists the stipulation that no amount of gold bullion held by the Secretary of State in the United Kingdom in excess of 50,000,000 rupees shall be included in the reserve.

PURCHASE OF GOLD.

The Government is required to purchase at a fixed price gold offered to it in the form of bars containing not less than 40 tolas of fine gold. (The Currency Act of 1927 : Article 4.) By a Notification given by the Finance Department of the Government of India on April 1st, 1927, this provision was extended to include gold in other forms, namely, coin and scrap.

MINTING OF GOLD.

Gold coin has ceased to be legal tender in India since April 1st, 1927¹. (The Currency Act of 1927 : Article 2, paragraph (a).)

EXPORT AND IMPORT OF GOLD.

Both the export and the import of gold are unrestricted.

¹ In point of fact gold has not been coined in India since April 1919. A branch of the Royal Mint was opened in Bombay in 1918 for the coinage of sovereigns and 1,295,372 sovereigns were coined there but the Branch was closed for minting in April 1919.

INDO-CHINA.

The Bank of Indo-China has the exclusive right of note issue in the French establishments in India, the colonies of French Indo-China, and the French possessions in the Southern Pacific Ocean. In addition, the Bank may establish branches or agencies in countries not under French sovereignty. In the French possessions only the branch offices of the Bank may issue notes. The branches and agencies in places not under French sovereignty may issue notes with the consent of the Minister of Foreign Affairs and the Minister of Finance.

REDEMPTION.

The Bank of Indo-China is required to redeem its notes in gold on demand at a fixed rate. Redemption may be made either in Saigon or in Paris, at the choice of the Bank, but in the latter case a deduction must be made to cover the costs of shipping gold from Saigon to Paris. (Decree of May 31st, 1930, on the Monetary System : Article 2, paragraph 1.)

RESERVE.

The Bank of Indo-China is required to hold a reserve in gold bars or exchange convertible on demand into gold coin or bars equal to at least 33 $\frac{1}{3}$ % of its notes in circulation plus sight deposits. (*Lex cit.* : Article 3.)

Place of deposit : The gold included in the reserve must be held in the Bank's office in Saigon.

PURCHASE OF GOLD.

The Bank is required to purchase gold on demand at a fixed price in Saigon. (*Lex cit.* : Article 2, paragraph 2.)

MINTING OF GOLD.

The issue of gold coin is not authorised for the French establishments in India, the colonies of French Indo-China, and the French possessions in the Southern Pacific Ocean.

EXPORT AND IMPORT OF GOLD.

The export and import of gold as regards the French colonies and protectorates in question are unrestricted.

IRISH FREE STATE.

REDEMPTION.

Legal Tender Notes.

At its London Agency ¹ the Currency Commission is required to redeem all legal-tender notes issued by it under the terms of the Currency Act of 1927 in money of any form which is legal tender in Great Britain at the nominal rate. (*Lex cit.* : Article 49, paragraph 1.)

In Dublin the Currency Commission, if and whenever and to such extent as it thinks fit, may redeem all legal-tender notes in gold coins which are for the time being legal tender in the Irish Free State, or (at its option) at the nominal rate in money of any form which is legal tender in Great Britain for unlimited amounts, or (if the holder so agrees) by a draft on London. (*Lex cit.* : Article 49, paragraph 2.)

Consolidated Bank-notes.

Each bank to which the Currency Commission issues consolidated bank-notes is required on presentation at its principal office in Dublin to redeem the notes issued to it in coin or notes (at the option of the bank) which are at the time legal tender in the Irish Free State for the required amount. (*Lex cit.* : Article 58, paragraph 4.)

RESERVE.

The Currency Commission is required to keep two reserve funds :

1. *The Legal Tender Note Fund*, out of which all redemption payments of legal-tender notes for which the fund is sufficient must be made. (*Lex cit.* : Article 50, paragraph 1), shall amount to 100 % of the total legal-tender notes outstanding at the end of the preceding half-year (*Lex cit.* : Article 61, paragraph 7) and shall consist of one or more of the following values in such relative proportions as the Currency Commission shall deem fit :

- (a) Gold bullion;
- (b) Gold coins which are for the time being legal tender in the Irish Free State for unlimited amounts;
- (c) Money in any form which is for the time being legal tender in Great Britain for unlimited amounts;
- (d) British Government securities;
- (e) Sterling balances on current or deposit account at the London Agency or any Bank in Great Britain or Northern Ireland;
- (f) Securities of the Government of the United States of America. (*Lex cit.* : Article 61, amended.)

2. *The Note Reserve Fund*, out of which all redemption payments of legal-tender notes for which the Legal Tender Note Fund is insufficient (*Lex cit.* : Article 50, paragraph 1), together with the redemption payments of all consolidated bank-notes on which the responsible bank defaults must be made (*Lex cit.* : Article 58, paragraph 7), shall equal at least 10% of the consolidated bank-notes in outstanding (*Lex cit.* : Article 62, paragraph 6) and consist of one or more of the following values, in such relative proportions as the Currency Commission shall deem fit :

- (a) Gold bullion;
- (b) Gold coins which are for the time being legal tender in the Irish Free State for unlimited amounts;

¹ The Bank of England was appointed in 1928 to be the London Agency of the Irish Free State Currency Commission.

- (c) Money in any form which is for the time being legal tender in Great Britain for unlimited amounts;
- (d) British Government securities;
- (e) Securities guaranteed by the British Government;
- (f) Sterling balances on current or deposit account at the London Agency or any bank in Great Britain or Northern Ireland;
- (g) Legal-tender notes, but not in an amount greater than 10 % of the Fund;
- (h) Securities of the Government of the United States of America. (*Lex cit.* : Article 62, amended.)

If both the Legal Tender Note Fund and the Note Reserve Fund prove insufficient to provide for the redemption of legal-tender notes presented for payment, the necessary funds shall be taken out of the monies advanced to the Commission out of the Central Fund (*i.e.*, the Exchequer). (*Lex cit.* : Article 50.)

Place of deposit : The place where the gold included in the Legal Tender Note Fund and the Note Reserve Fund is to be held is unspecified. The only stipulation is that the capital of the two funds must be held "by the Commission or at its disposal". (*Lex cit.* : Article 61, paragraph 3; and Article 62, paragraph 2.)

PURCHASE OF GOLD.

The Currency Commission is required to purchase on demand in return for legal-tender notes either gold bullion (in amounts over 100 ounces) or Saorstát gold coins, which are legal tender in the Irish Free State for unlimited amounts, or British money in any form, which is legal tender in Great Britain for unlimited amounts. (*Lex cit.* : Article 47, paragraph 2.)

Nevertheless, so long as the Minister of Finance is not required to mint gold bullion on demand (see the paragraph on "Minting of Gold") the Commission, if it thinks fit to do so, may refuse to purchase gold bullion offered to it. (*Lex cit.* : Article 47, paragraph 3.)

MINTING OF GOLD.

The Minister of Finance is not required at present to purchase gold bullion offered for minting at a fixed price. The Minister, with the concurrence of the Commission, will appoint a day on which purchase of bullion for minting by him shall become obligatory, but, if the Commission so requires, it alone shall be entitled after that day to deliver gold bullion for this purpose. (*Lex cit.* : Article 5, paragraphs 1, 2, 4, 7 and 8.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

ITALY.

REDEMPTION.

The Bank of Italy is required to redeem its notes on demand in gold bars of a minimum weight of 5 kilogrammes, or, at its option, in foreign exchange convertible into gold. Redemption in foreign exchange will be made at a rate fixed by the Bank, account being taken of the current market rates, but it must not in any event be above the gold export rate which has been fixed by the Decree of February 26th, 1928, No. 258, at 19.10 lire to the dollar. (Decree-Law of December 21st, 1927, No. 2325 : Article 1, put into force by the Decree of February 26th, 1928, No. 252.)

RESERVE.

The Bank is required to secure its notes in circulation plus its other sight liabilities, including the Treasury current account, by a reserve of not less than 40% in gold or foreign exchange convertible into gold. (Decree-Law of December 21st, 1927, No. 2325 : Article 4.)

Place of deposit : The place where the gold included in this reserve is to be held is not specified.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

It was provided by Article 6 of the Decree-Law of December 21st, 1927, No. 2325, that the existing regulations on the minting and issue of gold coin would be put into accord with the present gold value of the lire by a Royal Decree to be made on the proposal of the Minister of Finance. This was done by the Royal Decree of July 18th, 1930, No. 1148, which authorised the minting of 100-lire and 50-lire gold coins. The minting of these coins on the demand of private persons was not authorised.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

JAPAN.

Japan Proper.

REDEMPTION.

The Bank of Japan is required to redeem its notes in gold coin on demand. (Article 14 of the Bank of Japan Regulation, 1882, as amended by Law No. 61 of August, 1890, and Article 1 of the Convertible Bank-note Regulation, 1884, as amended.¹)

RESERVE.

The Bank of Japan has the right to issue notes to the amount of 120 million yen against :

- (a) Government loan bonds or Treasury Bills or other reliable securities;
- (b) Commercial bills.

In case of necessity the Bank, with the consent of the Minister of Finance, may increase the fiduciary issue subject to the payment of a tax.

All notes issued over and above the permitted fiduciary issue must be covered by an equivalent value of gold and silver coin and bullion, provided that silver coin and bullion shall not exceed one-fourth of the total amount of such reserve.² (Article 2 of the Convertible Bank-note Regulation, 1884, as above cited.)

Place of deposit : The place where the gold included in the reserve is to be held is not specified.³

PURCHASE OF GOLD.

The Bank of Japan is required to purchase gold coin on demand in exchange] for its bank-notes. (Article 7 of the Convertible Bank-note Regulation, as above cited.)

MINTING OF GOLD.

The Government is required to mint gold on demand for private persons. (Article 14 of the Coinage Law, Law No. 16 of March 1897, as amended.)

EXPORT AND IMPORT OF GOLD.

Restrictions on the export of gold were removed by the Ministry of Finance Decree of November 21st, 1929, which came into force on January 11th, 1930.

The import of gold is unrestricted.

¹ The Convertible Bank-note Regulation was amended by Decree of the Council of State, No. 9, of May 1885, Imperial Ordinance No. 59, of August 1887, Law No. 34, of May 1885, Law No. 18, of March 26, 1897, Law No. 55, of March 1899.

² No silver coin or bullion has been included in the reserve since 1905.

³ As a matter of fact the Banks of Japan, Chosen and Taiwan hold their gold reserves in their own respective vaults, although sometimes they include gold held in the Japanese Imperial Mint against the Gold Coin Delivery Certificates provided for in Article 7 of the Coinage Regulation (Imperial Ordinance No. 138 of 1897 as amended).

Chosen (Korea).

REDEMPTION.

The Bank of Chosen is required to redeem its notes in gold coin or the Bank of Japan notes on demand. (Article 21 of the Bank of Chosen Law, Law No. 48 of March 1911, as amended.¹)

RESERVE.

The Bank of Chosen has the right to issue notes to the amount of 50 million yen against :

- (a) Government loan bonds or any other reliable securities;
- (b) Commercial bills.

In case of necessity, the Bank, with the consent of the Governor-General of Chosen, may increase the fiduciary issue subject to the payment of a tax.

All notes issued over and above the permitted fiduciary issue must be covered by an equivalent value of gold coin and bullion, silver bullion or the Bank of Japan notes, provided that silver bullion shall not exceed one-fourth of the total amount of such reserve. (Article 22 of the Bank of Chosen Law, as above cited.)

Place of deposit : The place where the gold included in the reserve is to be held is not specified.²

PURCHASE OF GOLD.

The Bank of Chosen is required to purchase gold coin or Bank of Japan notes on demand in exchange for its bank-notes. (Article 8 of Decree of the Governor-General of Chosen, No. 146, 1911.)

MINTING OF GOLD.

The provisions which are in force in Japan Proper apply also to Chosen.

EXPORT AND IMPORT OF GOLD.

The provisions which are in force in Japan Proper apply also to Chosen.

Taiwan (Formosa).

REDEMPTION.

The Bank of Taiwan is required to redeem its notes in gold coin on demand. (Article 8 of the Bank of Taiwan Law, Law No. 38 of April 1897, as amended.³)

¹ The Bank of Chosen Law was amended by Laws No. 28 of March 1918 and No. 21 of July 1924.

² See footnote ³ on the preceding page.

³ The Law was amended later by Laws No. 17 of June 1901, No. 34 of March 1902, No. 3 of February 1906, No. 46 of April 1910, No. 7 of March 1914, No. 27 of March 1918, No. 68 of April 1922.

RESERVE.

The Bank of Taiwan has the right to issue notes to the amount of 20 million yen against :

- (a) Government paper money and securities, the Bank of Japan notes, or other reliable securities;
- (b) Commercial bills.

In case of necessity, the Bank, with the consent of the Minister of Finance, may increase the fiduciary issue, subject to the payment of a tax.

All notes issued over and above the permitted fiduciary issue must be covered by an equivalent value of gold and silver coin or bullion. (Article 9 of the Bank of Taiwan Law, as above cited.)

Place of deposit : The place where the gold included in the reserve is to be held is not specified.¹

PURCHASE OF GOLD.

The Bank is not required to purchase gold on demand.

MINTING OF GOLD.

The provisions which are in force in Japan Proper apply also to Taiwan.

EXPORT AND IMPORT OF GOLD.

The provisions which are in force in Japan Proper apply also to Taiwan.

¹ See footnote ³ on page 94.

LATVIA.

REDEMPTION.

Bank-notes.

The Bank of Latvia is required at all times to redeem its notes in gold. (Statutes of the Latvian Bank : Article 14.)

Treasury Notes.

Regulations regarding the redemption of the Latvian Treasury Notes are still to be fixed by the Minister of Finance. (Law concerning State Treasury Notes, No. 183 of 1924, November 24th.)

RESERVE.

Bank-notes.

The Bank of Latvia is obliged to secure its notes as follows :

(a) If the total note circulation does not exceed 100 million lats, a minimum of 50% must be secured by gold or stable and sure foreign currencies and the remainder by reliable short-term bills of exchange.

(b) If the total circulation is between 100 million and 150 million lats, 100 million is to be secured as above and of the remainder 75% must be secured by gold or stable and sure foreign currencies, and 25% by reliable short-term bills of exchange.

(c) If the total circulation exceeds 150 million lats, 150 million must be secured as above (b) and the remainder must be entirely covered by gold or stable and sure foreign currencies. (Statutes of the Latvian Bank : Article 13.)

Place of deposit : The place where the gold included in the reserve is to be held is not specified. The choice rests with the Bank whose power in this respect is unrestricted.

Treasury Notes.

The Rouble Treasury notes are to be withdrawn from circulation, and the State will issue Lat Treasury notes in their place up to a maximum of 48 million lats. The State shall be responsible for the Treasury Notes with all its property and shall deposit gold with the Bank of Latvia to the value of at least one-fourth of the notes issued. (Law concerning State Treasury Notes, No. 183, of 1924, November 24th.)

According to a Decree of the Minister of Finance published on October 21st, 1929, all of the Rouble Treasury notes, from one to five hundred roubles inclusive, are to be exchanged before April 1st, 1930. From April 1st, 1930, to April 1st, 1931, they may be exchanged only at the Head Office of the Bank of Latvia, and after April 1st, 1931, those still in circulation will be considered worthless.

PURCHASE OF GOLD.

The Bank is not required to buy gold offered to it.

MINTING OF GOLD.

The State is required to accept for minting gold offered to it by anyone in quantities of not less than 100 grams. The price is left to the determination of the Minister of Finance. (Regulations concerning Latvian Money, published on August 3rd 1922, by dint of law of July 16th, 1919; amended March 18th, 1925 : Article 3.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

LITHUANIA.

REDEMPTION.

The Bank of Lithuania is not required to redeem its notes in gold. The procedure for the conversion of bank-notes into gold money is to be fixed by the Minister of Finance, Commerce and Industry.¹ (Statutes of the Bank of Lithuania : Article 25.)

RESERVE.

The Bank is required to keep a reserve in gold to the amount of at least one-third of its notes in circulation. The remainder must be covered by easily realisable securities valued at not more than their stock-exchange price. (*Lex cit.* : Article 24.)

Place of deposit : The gold included in the reserve may be held in the Bank or on deposit in other banks at the Administration's discretion.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

Up to the present no provisions have been made for the minting of gold.

EXPORT AND IMPORT OF GOLD.

The export of gold both in coin and bars is prohibited, except under special licence from the Minister of Finance, such licence to be obtained for each particular export.² (Law of February 20th, 1920 : Articles 1 and 41.)

The import of gold is unrestricted.

¹ This has not yet been done.

² In practice the Minister of Finance grants this licence if the Bank of Lithuania declares that it has no objection.

MADAGASCAR.

REDEMPTION.

The Bank of Madagascar is required on demand to redeem its notes in money which is legal tender in France. (Law on the Creation of a Bank of Issue : Article 2.)

RESERVE.

The Bank is required to hold a reserve of at least $33\frac{1}{3}\%$ of its note circulation. This reserve may be composed of the following :

1. Gold.
 2. Coin which is legal tender in France.
 3. Sight deposits of foreign exchange convertible into gold.
 4. A credit held in a special non-interest-bearing account with the Treasury.
- (Statutes of the Bank of Madagascar : Article 15, paragraph 1.)

Place of deposit : The place where the gold included in the reserve is to be held is not specified.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The issue of gold coin is not authorised for Madagascar.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted. (Decree of April 20th, 1929.)

MARTINIQUE, GUADELOUPE, FRENCH GUIANA AND REUNION.

The banks of Martinique, Guadeloupe, French Guiana and Reunion are governed by the same constitutive laws and statutes. Each bank has the sole right of note issue in the colony in which it is situated. (Law of March 21st, 1919, renewing the charter of the Banks of Martinique, Guadeloupe, French Guiana and Reunion : Article IV, paragraph I.)

REDEMPTION.

Each bank is required on demand to redeem the notes issued by it in money which is legal tender in France. (*Lex cit.* : Article IV, paragraph II.)

RESERVE.

The note circulation of each bank must in no case exceed three times the metallic reserve. (*Lex cit.* : Article IV, paragraph V.)

The total sum of the notes in circulation, current accounts and other liabilities of each bank must not exceed three times the sum of the bank's capital and reserve funds unless the current accounts and other liabilities be covered by cash over and above the reserve for guarantee. (*Lex cit.* : Article IV, paragraph VII.)

Place of deposit : The place where the metallic reserves of the Banks of Martinique, Guadeloupe, French Guiana and Reunion are to be held is not specified.

PURCHASE OF GOLD.

The banks are not required to purchase gold offered to them.

MINTING OF GOLD.

The issue of gold coin is not authorised for the colonies of Martinique, Guadeloupe, French Guiana and Reunion.

EXPORT AND IMPORT OF GOLD.

The export and import of gold as regards the territories in question are unrestricted.

MEXICO.

REDEMPTION.

The Bank of Mexico is required on demand to redeem its notes in gold. Each branch office of the Bank is required on demand to redeem in gold the notes which it has put into circulation with its stamp, and in sight drafts on the head office notes issued by other branch offices or by the head office. (Law creating the Bank of Mexico, August 25th, 1925 : Chapter II, Article 7.)

RESERVE.

Reserve of Central Bank against Bank-Notes.

Notes may be issued only;

1. In exchange for domestic or foreign gold coin;
2. In exchange for gold bullion, at the rate of 75 centigrammes of fine gold per peso;
3. In exchange for first class drafts payable at sight in gold on foreign countries;
4. On the rediscount of bills payable in gold, that the Bank rediscounts with its associated banks. (*Lex cit.* : Article 4.)

The Bank of Mexico is required to hold a reserve in domestic or foreign gold coin and gold bullion to not less than 50% of its note issue. Gold deposits abroad and gold in transit to the Bank may be counted as part of the reserve. From this reserve may be deducted the amount of gold held by the Bank as a reserve against deposits. (*Lex cit.* : Article 2.)

Place of deposit : There may be included in the gold reserve the gold held in the vaults of the Bank, the gold deposited to the Bank's account with foreign banks, and the gold, either in bar or coin, in transit to the Bank. (*Lex cit.* : Article 2.)

Reserve of Central Bank and Other Banks against Deposits.

The Deposit and Discount Banks, to which the following provisions apply, are those which engage in ordinary banking operations, receive deposits payable at sight or at not more than 30 days' notice, discount commercial bills and make loans of the same character. (Ley General de Instituciones de Credito y Establecimientos Bancarios : Article 92.)

Accounts, according to their nature, must be guaranteed by reserves constituted as follows :

I. Deposits, payable at sight or within 30 days, shall be covered :

(1) By a cash reserve to the proportion established for the bank in question by the National Banking Commission, but in no case lower than 20% or higher than 33%. This reserve may consist of :

- (a) Domestic gold;
- (b) Notes of the Bank of Mexico;
- (c) Foreign gold coin and gold bars at their intrinsic value;
- (d) Sight deposits with the Bank of Mexico;
- (e) Silver coin and small change up to 5% of the total. However, for these deposits made in silver coin and small change, the cover may be held in silver coin and small change, notwithstanding the proportion it forms of the total;
- (f) Consignments of gold coin or bars in transit;
- (g) Sight deposits in banking firms or foreign banks of first-class standing.

The items (f) and (g) may be included in the cash reserve only upon the authorisation of the Ministry of Finance by means of temporary permits, but in no case may the total of these items exceed one-third of the total amount of the cash reserve.

Place of deposit : The gold included in the cash reserve must be held in the vaults of the bank in question except when the Ministry of Finance for a temporary period permits the inclusion of consignments of gold coin or bars in transit. (*Lex cit.* : Article 93, Section I.)

(2) By a securities reserve, up to the total sum of the accounts which are not covered by the cash reserve. For the classes of securities permitted see Article 93, Section II, of the above-mentioned law in the Annex.

II. Accounts in foreign currency giving the holder the right to demand payment specifically in drafts on foreign countries shall not legally be regarded as deposit accounts. These accounts shall be covered :

(1) By a cash reserve to the proportion established for the bank in question by the National Banking Commission in conformity with Article 93, Section I. This reserve may consist of :

- (a) Deposits in foreign currencies payable at sight, or
- (b) Domestic gold.

Place of deposit : The reserve under (a) must be held in the Bank of Mexico or in foreign banks, provided they are of first class in the opinion of the National Banking Commission. The reserve under (b) must be held in the vaults of the bank in question. (*Lex cit.* : Article 94, Section I.)

(2) By a securities reserve up to the total sum of the accounts which are not covered by the cash reserve. For the classes of securities permitted see Article 93, Section II, of the above-mentioned law in the Annex. (*Lex cit.* : Article 94, Section II.)

III. The following classes of accounts must also be guaranteed in the manner laid down under Sections I and II above :

- (a) Deposits, payable at sight or within 30 days, which are composed of domestic gold or silver, even if the depositor agrees to accept, at the choice of the bank, other currencies in payment thereof;
- (b) Credit balances of current accounts, accounts of correspondents, etc., payable at sight or within 30 days;
- (c) Unused balances of loans. (*Lex cit.* : Article 95.)

PURCHASE OF GOLD.

The Bank of Mexico is not required to purchase gold offered to it.

MINTING OF GOLD.

The Mint is required to accept, for the purpose of minting, gold suitable for minting offered by private individuals. Such gold will be accepted at a fixed price and without limit as to quantity. (*Ley de Impuestos a la Minería* : Article 16.)

EXPORT AND IMPORT OF GOLD.

The export of gold is prohibited. (*Ley de Impuestos a la Minería* : Article 26.)
The import of gold is unrestricted.

MOROCCO.

REDEMPTION.

The State Bank of Morocco is required to redeem its notes on demand in money which is legal tender in France. (Statutes of the State Bank of Morocco : Article 2, paragraph 1; General Act of the International Conference of Algeciras : Article 32.)

RESERVE.

The Bank is required to hold a reserve equal to at least one-third of the value of its notes in circulation. At least one-third of this reserve must be kept in gold bullion or gold coin. (*Idem.*)

Place of deposit : The place where the gold bullion and gold coin included in the reserve are to be held is not specified.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The issue of gold coin is not authorised for Morocco.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

NETHERLANDS.

REDEMPTION.

The Netherlands Bank is required to redeem its notes on demand. (The Bank Act¹ : Article 18, paragraph 1.) The Bank is under no legal obligation to redeem its notes in gold but may at its option redeem them in the other media of payment which, according to the Laws of May 28th, 1901, and August 6th, 1914, are legal tender to an unlimited amount—viz., the heavier silver coins, which constitute only a small percentage of the total circulation, and the “silver notes” which have practically disappeared. On July 25th, 1927, the Bank gave orders to its paying tellers and to the branch office and the various agencies to limit in future the delivery of gold coin as before the war to 50 gulden a day per bank, firm or person.

The Bank has, however, given an undertaking to the Government that, should the rates of foreign exchange rise above gold parity it will, as long as it is able, put gold at a fixed price² at the disposal of exporters for export to countries which themselves authorise the free export of gold. (First declared in 1903, suspended in 1914, re-declared as from April 29th, 1925.)

In case of war or danger of war, the obligation to redeem in legal currency may be suspended by a Royal Decree. (The Bank Act : Article 19.)

RESERVE.

Article 23 of the Bank Act provides that the proportion between the total amount of bank-notes, bank-assignments and credit balances in current accounts which must be covered by the reserve of coin or bullion shall be fixed by Royal Decree. The Royal Decree of January 4th, 1929, has fixed this proportion at 40 per cent.

Place of deposit : By the Royal Decree of January 4th, 1929, the Royal Decree of April 5th, 1889, concerning the weekly balance-sheet of the Netherlands Bank has been changed in this form, that on the debit side of the balance-sheet a footnote is added to the figure for the item “Coin and Bullion”, by which is indicated whether a part, and if so which part, of the metal reserve of the Bank is held abroad. In connection with this new Royal Decree, the Minister of Finance has declared to the Netherlands Bank at the request of the latter that he does not object to gold which is being held abroad, deposited with other banks, and gold in transit, in so far as the Netherlands Bank has the free disposal of this gold, being included in the metal cover for sight liabilities; with the reserve that at least 80% of the 40% cover required should be in the vaults of the Netherlands Bank.

PURCHASE OF GOLD.

The Netherlands Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The Mint is required to coin gold for private persons above a certain minimum amount in the form of 10-florin pieces, 5-florin pieces and ducats, unless this is not possible owing to work for the account of the State. (Monetary Law of May 28th, 1901 : Article 3.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

The Netherlands Bank, however, when selling gold for export reserves to itself the right to approve the destination (see above, under “Redemption”) and to this end it may require that the bills of lading be submitted to it.

¹ Came into force April 1st, 1919.

² The rate fixed is 1,653.44 florins per kilogramme of fine gold for bullion and a corresponding figure for gold specie.

NETHERLANDS INDIES.

REDEMPTION.

The Java Bank is required to redeem its notes on demand in legal tender.¹ (The Java Bank Act : Articles 15 and 16.) Legal tender includes gold ten-florin coins, gold five-florin coins, silver coins, and Government currency notes.

In case of war or imminent danger of war, the Bank's obligation to redeem its notes may be suspended by ordinance. (*Lex cit.* : Article 17.)

The Java Bank has given a pledge to the Government of the Netherlands Indies to sell gold at a fixed price, as long as it is in its power to do so, should the rates of exchange on foreign countries rise above gold parity. (Agreement between the Java Bank and the Government of the Netherlands Indies, published in the *Official Gazette*, of April 29th, 1925.)

RESERVE.

The Java Bank is required to hold a reserve in specie and bullion equal to 40% of its total demand liabilities. (*Lex cit.* : Article 28; proportion fixed by Decree of the Governor General No. 229, of June 25th, 1928.) As "specie and bullion", the Bank holds gold and silver coin which is legal tender, foreign gold coin, and gold and silver bullion.

Place of Deposit : Three-fifths of the required 40% reserve *i.e.*, 24% of the total demand liabilities—must be held in the Netherlands Indies. (*Lex cit.* : Article 28; proportion fixed by Decree of the Governor General No. 229, of June 25th, 1928.)

PURCHASE OF GOLD.

The Java Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The Netherlands Indies have no gold coinage of their own. The ten-florin and five-florin gold coins of the Netherlands circulate as legal tender. (Mint Law of October 31st, 1912 : Articles 2 and 5.)

EXPORT AND IMPORT OF GOLD.

Prohibition on the export of gold was removed on April 29th, 1925.
The import of gold is unrestricted.

¹ A bill is at present before the Parliament of the Netherlands which, if accepted, will authorise the Java Bank to redeem its notes, when the amount presented is not less than 1,650 florins, in gold bullion on the basis of 1,658.44 florins per kilogramme of fine gold, or in foreign gold coin at a corresponding price.

NEW ZEALAND.

The Governor of the Dominion may by Proclamation empower any bank to issue and circulate notes subject to the provisions and restrictions contained in the charter or letters patent under which such bank is incorporated. (The Banking Act of 1908 : Article 8.)

The following six banks have the privilege of note issue¹ :

The Bank of New Zealand;
The National Bank of New Zealand Ltd;
The Union Bank of Australia, Ltd.;
The Bank of Australasia;
The Bank of New South Wales;
The Commercial Bank of Australia Ltd.

Of these six banks the first two are incorporated by special Acts of the General Assembly of the Dominion. The other four are Australian banks operating in New Zealand².

REDEMPTION.

Each of the note-issuing banks is required to redeem its notes in gold on demand. (The Banking Act of 1908 : Article 9.)

However, the Governor in Council may from time to time declare by Proclamation that the notes of any bank shall, during the period limited by the Proclamation, be legal tender everywhere within New Zealand, and during the validity of such a Proclamation the notes of the bank in question shall be inconvertible. Before making such a Proclamation³ the Governor may require that adequate security be given by the bank that it shall pay its notes in gold on demand after the expiration of the period limited by the Proclamation.

In the event of default of payment by the issuing bank the Minister of Finance shall pay the notes presented. (The Banking Amendment Act of 1914 : Articles 2 and 4.)

RESERVE.

The reserves kept by the banks are not prescribed by law but by the Private Acts, Royal Charters, or Letters Patent which govern them.

The Private Act of the Bank of New Zealand contains the following clause :

“That the total amount of Promissory Notes payable on demand, issued and in circulation within the Dominion shall not at any time exceed the amount of coin, bullion, and public securities which shall for the time being be held by the said Corporation within the Dominion of New Zealand or within the United Kingdom, nor *three* times the amount of the coin for the time being held by the said Corporation within the said Dominion.”

A similar provision exists relating to the National Bank of New Zealand, Ltd.

The four Australian banks operating in New Zealand, although the reserve requirements of each are governed by its own acts, nevertheless exercise their privilege under New Zealand law and may be required to give adequate security that they will redeem their notes in gold, after the expiration of a Proclamation such as mentioned above under “Redemption”.

¹ The note circulation in the Dominion is normally somewhat more than £6 million. Of this figure, approximately £130 thousand is Australian circulation not yet redeemed.

² These Australian banks are no longer permitted to circulate notes in Australia.

³ A Proclamation which covers the above-mentioned six banks has been in force since August 6th, 1914, having been extended from time to time. Unless extended again it will expire on January 10th, 1932.

In accordance with Article 9 of the Banking Act of 1908, all bank-notes are a first charge on all the assets of the bank that issued them which are utilisable for the payment of debts due and payable in New Zealand.

Place of deposit : The place where the reserves of the banks of issue are to be held is not specified in the laws of the Dominion.

PURCHASE OF GOLD.

There exists no obligation to purchase gold¹.

MINTING OF GOLD.

The Dominion does not possess a gold coinage.

EXPORT AND IMPORT OF GOLD.

During the period that the Proclamation referred to above under "Redemption" is in force, the export of coined gold is prohibited, except with the consent of the Finance Minister, but the export of uncoined gold is unrestricted. (The Banking Amendment Act of 1914 : Article 6; amended by the Finance Act of 1919 : Part I, Article 3.)

¹ Most of the gold produced in New Zealand is now normally sent to Australia, presumably to be minted.

NORWAY.

REDEMPTION.

The Bank of Norway is required to redeem its notes in gold “krone-coins” on demand (Statutes of the Norges Bank : Article 6).

The King has the right to permit the Bank to suspend redemption in case of “peculiarly menacing circumstances”.¹ (Law of August 18th, 1914 : Article 7.)

RESERVE.

The Bank has the right to issue notes to the sum of 250 million kroner, in excess of the gold reserve. The reserve consists of gold coined or in bullion in the vault of the Bank or deposited to its account with the Mint. (Law of November 26th, 1920 : Article 9.)

If unusual circumstances demand, the King, with the approval of the Storting, may authorise the issue of additional notes subject to the payment of a tax by the Bank.² (*Lex cit.* : Article 10.)

Place of deposit : The gold included in the reserve must be held in the Bank or in the Government Mint for the Bank's account. (*Lex cit.* : Article 9.)

PURCHASE OF GOLD.

The Bank is required on demand to deliver its notes against gold “krone-coins” and at its Head Office to purchase gold bullion at a fixed rate (1 kilogram of fine gold = 2,480 crowns) minus charges. (Statutes of the Norges Bank : Article 14.)

MINTING OF GOLD.

The Government Mint is required to accept gold on demand from any person and to give in exchange, without undue delay, 10-krone or 20-krone pieces on the payment of $\frac{1}{3}\%$ of the value of the amount minted in the case of the former and $\frac{1}{4}\%$ of such value in the case of the latter. (Law of April 17th, 1875, on the Monetary System : Article 9.)

EXPORT AND IMPORT OF GOLD.

The embargo on the export of gold was lifted as from May 1st, 1928, but “only as regards exports to countries whose note issuing banks redeem their notes in gold and who allow free export of gold to Norway”. (Royal Decree of April 16th, 1928.)

The import of gold is unrestricted.

¹ The obligation was last suspended March 19th, 1920, but gold redemption was resumed May 1st, 1928, by Decree of April 16th, 1928.

² The last authorisation expired January 1st, 1927, and none now exists.

PALESTINE.

REDEMPTION.

The Palestine Currency Board is required on demand to redeem Palestine currency notes tendered in Palestine by drafts or telegraphic transfers payable in sterling in London. The Board may from time to time fix the minimum value for which redemption may be demanded. (Regulations governing the Palestine Currency Board : Articles 7 and 8.)

RESERVE.

The Board is required to pay into the Currency Reserve Fund proceeds from the sale of coin and currency notes and all other revenue which it may have, minus necessary deductions for expenses and any losses which may be incurred. (*Lex cit.* : Article 13.)

The Board is required to hold a portion of its reserve in liquid form. The remainder may be invested in securities of the Government of any part of his Majesty's Dominions or in such other manner as the Secretary of State may approve. The extent to which investments may be made, and the composition of the liquid portion of the reserve, are left to the discretion of the Board subject to any directions which may be received from the Secretary of State. (*Lex cit.* : Article 14.)

The Board, with the approval of the Secretary of State, may pay out of the income of its invested funds any sum which it thinks proper as a contribution to the revenues of Palestine. (*Lex cit.* : Article 19.)

When the Board is satisfied and has satisfied the Secretary of State that its reserves are more than sufficient, it may pay over the whole or any part of the surplus amount in aid of the revenues of Palestine. (*Lex cit.* : Article 20.)

Place of deposit : The choice of the place where the liquid portion of the reserve is to be held rests with the Board, subject to any directions which may be received from the Secretary of State.

PURCHASE OF GOLD.

The Board is not required to purchase gold or sterling offered to it.

MINTING OF GOLD.

The Board is not required to accept gold bullion for coining nor does it do so. The Palestine Currency Order in Council of February 7th, 1927, provides (Section 2 (1) (a)) that a gold coin of one Palestine pound may be coined from time to time under the direction of the Master of the Mint (in London) for use in Palestine. These provisions leave open the issue of such gold coins, but it is not intended to introduce them at present.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted. (Public Notice : December 8th, 1920.)

PARAGUAY.

REDEMPTION.

An Exchange Office was created in 1916 for the purpose of stabilising the value of the notes in circulation ¹ and ultimately assuring their conversion into gold, but the rate of this conversion ² and the day upon which it will become obligatory for the Office to redeem notes in gold on demand have not yet been fixed by law ³. (Law No. 182, of January 26th, 1916 : Articles 10 and 11.) The Exchange Office is authorised to issue notes against the receipt of gold coin at a fixed rate. It may redeem these notes in gold coin, but is not required to do so. (Law No. 550, of October 23rd, 1923 : Article 1.)

RESERVE.

The Exchange Office is not required to hold any fixed reserve in gold.

PURCHASE OF GOLD.

The Exchange Office is not required to purchase gold offered to it.

MINTING OF GOLD.

Paraguay has no gold coinage of its own ⁴. The Law of July 14th, 1885, made the gold and silver coins of Argentine legal tender in Paraguay ⁴.

EXPORT AND IMPORT OF GOLD.

The export of gold is prohibited.
The import of gold is unrestricted.

¹ Notes of the Government, of the Bank of the Republic, and of the former Conversion Office.

² The present *de facto* rate of conversion is 4,261 paper pesos to 100 gold pesos.

³ At the beginning of the present period of the Parliamentary Session of Congress the draft of a new monetary law was approved by the Chamber of Deputies, but it had not been passed by the Senate up to the time that this publication went to print. The draft law contains, among others, the following provisions :

- (1) It creates a gold peso as the monetary unit (Article 1);
- (2) It fixes a rate between this gold peso and the present paper peso (Article 4);
- (3) It limits the amount of the present paper-peso currency which may be in circulation (Article 5);
- (4) It makes the Exchange Office responsible for the present currency and it gives the Exchange Office the sole right (subject to the approval of the Federal Executive) to issue notes and subsidiary coin (Article 8);
- (5) It lays down that the Exchange Office, in conjunction with the Federal Executive, shall decide on the advisability and the date of converting the present paper-pesos into gold pesos (Article 9).

⁴ The present *de facto* rate of conversion established by the Exchange Office is 18.75 Paraguayan paper pesos to 1 Argentine paper peso, and 42.61 Paraguayan paper pesos to 1 Argentine gold peso, the difference in the paper and gold equivalents corresponding to Argentine law which authorises the redemption of Argentine paper currency at 44% of its face value. (See Argentine.)

PERSIA.¹

REDEMPTION.

The Imperial Bank of Persia, which, under Article 3 of its Concession, has the exclusive privilege of issuing bank-notes, is required, according to the terms of its Concession, to redeem its notes on demand in silver.

RESERVE.

There exist no laws concerning reserves in gold.

PURCHASE OF GOLD.

Neither the Government nor the Bank is required to purchase gold offered to them.

MINTING OF GOLD.

There exist at present no laws concerning the minting of gold. Gold coins (Pehlevi) are minted to a small extent in Tcheran for presentation purposes.

EXPORT AND IMPORT OF GOLD.

The export of gold, whether coined, or in the form of bars or dust and the like, is prohibited. A small exemption to this provision as regards coin is allowed to travellers. The export of gold in manufactured form is regulated by the Ministry of Finance. (Law of the 24th Mehr, 1305 (solar)² : Article 1).

The import of gold coin is free and exempt from Customs duties. (Law of the 23rd Esfand, 1307 (solar)³ : Article 1.) The import, however, of coins current in Persia which have been minted abroad is not allowed. (*Lex cit.* : Article 1, note.) The import of bar gold is subject to a Customs duty of 8%.

¹ The Persian Government recently introduced into the Mejlis (the Parliament of Persia), and there has now been enacted, a law providing for the establishment of a gold standard in Persia, and also a law relating to transactions in foreign exchange.

By the former law it is provided that the present silver kran currency shall be withdrawn and replaced by a new unit, to be called the Ryal, which will be based on a gold value. In order effectively to carry out the currency reforms, the Persian Government deemed it essential that they should be at liberty to issue their own bank notes, and they accordingly invited the Bank to negotiate with them for the relinquishment of its exclusive right to issue notes.

In consideration of the sum of £200,000 payable by the Persian Government to the Bank on the 20th of March, 1931 (when the withdrawal of notes issued by the Bank is to commence), the Board have agreed to relinquish the rights of the Bank under Article 3 of the Concession. The Persian Government on their part have agreed to cancel the obligation of the Bank to pay royalty on its profits, and also to abolish the office of Imperial High Commissary created by Article 4 of the Concession.

² October 17th, 1926.

³ March 14th, 1929.

PERU.

REDEMPTION.

It is provided that the Reserve Bank of Peru shall be required to redeem its notes on demand in gold coin or in drafts on foreign countries. The Bank has the choice between these methods, but, if it chooses the latter, the holder of the note may choose whether payment is to be made in cheques, or drafts payable at sight, or telegraphic transfers, and whether in dollars on New York or in sterling on London. If payment is made by draft, and not in gold coin, the Bank may charge a premium to cover the actual cost of transporting gold from Lima to New York or London as the case may be. (Law No. 4500, of March 8th, 1922 : Article 13, paragraph 3, as amended by Law No. 6747 of February 10th, 1930.) The Federal Executive has, however, not yet authorised the Bank to convert its notes in this manner.¹ (See Law No. 4500, of March 8th, 1922 : Article 14.)

RESERVE.

The Reserve Bank is required to hold a reserve equal to at least 50% of its notes in circulation, plus its other sight liabilities, made up of the following :

- (a) Gold coin;
- (b) Gold bars valued at a fixed rate on their fine gold content;
- (c) Balances in dollars in New York or in pounds sterling in London which may be converted on demand into freely exportable gold. These balances shall be calculated at their exchange value into gold in Lima at the rate of the day.

Place of Deposit : The gold included in this reserve must be held in the vaults of the Bank. (Law No. 4500, of March 8th, 1922 : Article 15, paragraph 1 (as amended by Law No. 6747, of February 10th, 1930) and paragraph 2.)

As an additional guarantee for its notes, the Reserve Bank is required to hold a reserve in specified classes of commercial paper equal to the full value of the notes which are not covered by the fundamental reserve. (Law No. 4500, of March 8th, 1922 : Article 15, paragraph 2.)

PURCHASE OF GOLD.

The Reserve Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The National Mint is required to mint all gold offered to it whether in bars, ingots, or coin, at a charge fixed by the Federal Executive. (Law No. 6746, of February 10th, 1930 : Articles 5 and 6.)

EXPORT AND IMPORT OF GOLD.

The export of gold is free. (Law No. 6746, of February 10th, 1930 : Article 7.)
The import of gold is free.

¹ Notes of the Reserve Bank circulate at present at an appreciable discount in relation to coin.

PHILIPPINE ISLANDS.

The currency in circulation in the Philippine Islands consists of Philippine silver and fractional coin, gold coin of the United States of America, notes of the Philippine National Bank known as "circulating notes", and Philippine Treasury certificates which include the outstanding silver certificates.

REDEMPTION.

1. *Government Currency.*¹

For the purpose of maintaining the parity of the Philippine silver peso with the Philippine gold peso, the Treasurer of the Philippine Islands is required :

(a) To sell on demand in return for Philippine currency (in amounts of not less than 10,000 pesos) or United States currency (in amounts of not less than 5,000 dollars) exchange in the form of either demand drafts or telegraphic transfers on the Gold Standard Fund deposited in the United States. (Administrative Code : Article V (as finally amended by Act No. 3058, of June 13th, 1922), Section 1621, paragraph (a).)

(b) To exchange at par, on the approval of the Secretary of Finance, the currency of the United States for Philippine currency. (*Lex cit.* : Section 1621, paragraph (b).)

(c) To exchange, on the approval of the Secretary of Finance, United States gold coin or gold bars (in amounts not less than 10,000 pesos or 5,000 dollars) for Philippine currency. A premium may be charged to cover the cost of transporting the coin or bars from New York to Manila. (*Lex cit.* : Section 1621, paragraph (c).)

(d) To withdraw from circulation Philippine currency received at the Treasury in Manila until demands be made for its sale in the manner set forth below under sub-paragraphs (a), (b) and (c) of the section "Purchase of Gold". (*Lex cit.* : Section 1621, paragraph (d).)

2. *Philippine Treasury Certificates.*

The Treasurer of the Philippine Islands is authorised to receive silver pesos and half-pesos in sums of not less than twenty pesos and to issue Treasury certificates therefor. The Treasurer is required to redeem these notes on demand in silver pesos and half-pesos. (Administrative Code : Article VII (as finally amended by Act No. 3058, of June 13th, 1922), Section 1626.)

3. *Notes of the Philippine National Bank.*

The Philippine National Bank is authorised to issue circulating notes to an amount which shall not exceed the amount of the unencumbered paid-up capital of the Bank. The Bank is required to redeem these notes on demand in any lawful money of the Philippine Islands, and the Bank has the privilege of redeeming in any lawful money of the Philippine Islands even those circulating notes which were issued against deposits of United States gold coin (see paragraph 2 of the section "Reserve"). The final redemption of the circulating notes is guaranteed by the Government of the Philippine Islands. (Act No. 2938, of January 30th, 1921 (amending Acts Nos. 2612 and 2747) : Section 14, amended by Act No. 3174, of November 24th, 1924, Section 3.)

RESERVE.

1. *Government Currency.*¹

The Treasurer of the Philippine Islands is required to hold a reserve, in the form of a separate trust fund called the "Gold Standard Fund", equal to 25% of the currency of the Government¹ in circulation and available for circulation. The composition of the fund is not specified.

¹ Coin and Treasury certificates.

Place of Deposit : An unspecified portion of the “Gold Standard Fund” must be held in the vaults of the Insular Treasury in Manila. An unspecified portion of the fund may be held in the form of deposits with such Federal Reserve Banks or member banks of the Federal Reserve System in the United States as may be designated by the Governor-General. No portion of the fund may be deposited in any bank doing business in the Philippine Islands or in any bank controlled by a bank doing business in the Philippine Islands, and not more than 20% of the fund may be deposited with any single depository in the United States, except in the bank where the Treasurer of the Philippine Islands keeps his deposits on current account for exchange operations. (Administrative Code : Article VI (as finally amended by Act No. 3058, of June 13th, 1922), Sections 1622, 1623 and 1624.)

2. *Philippine Treasury Certificates.*

The Treasurer of the Philippine Islands is required to hold a reserve in silver coin equal to 100% of the treasury certificates in circulation and available for circulation. This reserve is known as the “Treasury Certificate Fund”. If at any time the Government’s supply of silver coin is insufficient to meet the legitimate demands of trade, gold coin of the United States may temporarily be substituted for silver coin in the reserve and the silver coin released for circulation.

Place of Deposit : The Treasury Certificate Fund must be held wholly in the vaults of the Insular Treasury in Manila. (Administrative Code : Article VII (as finally amended by Act No. 3058, of June 13th, 1922), Section 1626.)

3. *Notes of the Philippine National Bank.*

(a) The Bank is required to hold, for the sole purpose of redeeming its circulating notes, all promissory notes, drafts and bills of exchange issued or drawn for agricultural, industrial or commercial purposes, purchased or discounted by it, as well as the proceeds thereof. (Act No. 2938, of January 30th, 1921 (amending Acts Nos. 2612 and 2747) : Sections 10(a) and 14.)

(b) The Bank is also required to hold a special reserve fund equal to 25% of its circulating notes. This reserve shall be maintained from the net profits of the Bank.

Place of Deposit : The special reserve fund must be held in a duly authorised depository or depositories in the United States. (Act No. 3174, of November 24th, 1924 : Section 4.)

PURCHASE OF GOLD.

For the purpose of maintaining the parity of the Philippine silver peso with the Philippine gold peso, the Treasurer of the Philippine Islands is required :

(a) To sell on demand (in amounts of not less than 10,000 pesos) exchange in the form of either demand drafts or telegraphic transfers on the Gold Standard Fund in the Philippine Islands. (Administrative Code : Article V (as finally amended by Act No. 3058 of June 13th, 1922), Section 1621, paragraph (a).)

(b) To exchange at par, on the approval of the Secretary of Finance, Philippine currency for the currency of the United States. (*Lex cit.* : Section 1621, paragraph (b).)

(c) To exchange, on the approval of the Secretary of Finance, Philippine currency for United States gold coin or gold bars (in amounts of not less than 10,000 pesos or 5,000 dollars). (*Lex cit.* : Section 1621, paragraph (c).)

(d) To withdraw from circulation United States currency and United States gold coin and gold bars received by him in the Philippine Islands until demands be made for its sale in the manner set forth above under sub-paragraphs (a), (b) and (c) of the section “Redemption”, or until an insufficiency of Philippine currency makes necessary an increase in coinage, in which case these funds may be used for providing such coinage. (*Lex cit.* : Section 1621, paragraph (e).)

MINTING OF GOLD.

The unit of value in the Philippine Islands is the gold peso, equal in weight, fineness and value to one-half of a gold dollar of the United States. The gold peso exists in name only for the minting of gold coins is not provided for by law. The gold coin of the United States circulates as legal tender. (Administrative Code : Article II (as finally amended by Act No. 3058, of June 13th, 1922), Sections 1611, 1612, 1613 and 1614.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

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POLAND.

REDEMPTION.

The Bank shall be required to give gold coins in exchange for bank-notes on demand and without limitation as to amount. The date of the beginning of this obligatory convertibility of bank-notes into gold shall be fixed by a Decree of the Council of Ministers, issued on the recommendation of the Minister of Finance and based on a resolution of the Council of the Bank.

At present the Bank is required to redeem its notes at its option in :

- (a) Gold coins;
- (b) Gold bars (1 kilogram = 5,924.44 zloty);
- (c) Foreign drafts in currencies convertible into gold, according to mint parity.¹

At present, bank-notes are convertible only at the Head Office of the Bank at Warsaw and only in amounts exceeding 20,000 zloty. (Statutes of the Bank of Poland : Article 47.)

RESERVE.

The Bank is required to secure its notes in circulation plus its other sight liabilities by a reserve of at least 40%. The reserve is composed as follows :

- (a) Gold in coin and bars. This item must make up at least three-fourths of the minimum reserve requirements.
- (b) Silver at its gold value. This item must not exceed 5% of the holdings in gold.
- (c) Foreign exchange convertible into gold.
- (d) Balances, convertible into gold, placed with foreign banks of highest standing and payable on demand or on not more than thirty days' notice.
- (e) Cheques and drafts on foreign banks of highest standing payable at sight in currency convertible into gold.
- (f) Bills of exchange, in terms of a currency convertible into gold, accepted or endorsed by foreign banks of highest standing and payable within a period of ninety days.

In calculating the net reserve the following items shall be deducted :

- (a) Sums derived from loans secured by the gold of the Bank;
- (b) The Bank's obligations in foreign currencies payable within a period of ninety days. (*Lex cit.* : Article 51.)

If the reserve ratio falls below 40%, the Bank must pay a graduated tax to the Treasury on the difference between the actual and permitted circulation. (*Lex cit.* : Article 52.)

The remainder of the note circulation over that which is secured as above must be covered to its full value by a reserve made up of various specified classes of paper. (*Lex cit.* : Article 53.)

¹ Redemption for the most part is made in this form.

Place of deposit : The Bank is required to hold in its own vaults at least two-thirds of the gold included in its reserve. The remaining one-third may be carried under earmark abroad¹ (Paragraph (a) of the Annex to Part II of the Programme of Stabilisation annexed to the Presidential Decree of October 18th, 1927.)

PURCHASE OF GOLD.

The Bank will buy gold against bank-notes on demand at the statutory relation, with a deduction of charges for minting, testing and other fees collected by the Government.² (*Lex cit.* : Article 54.)

MINTING OF GOLD.

The Government has the sole right and exclusive privilege of minting. (Presidential Decree of November 5th, 1927, Article 1.)

Gold will be minted for the account of private persons as well as for the State Treasury. The Minister of Finance must fix the conditions which will govern the minting for private persons. As yet this has not been done, nor have the models of the gold coins been decided upon. It has already been provided, however, that gold must be presented in quantities which contain not less than 100 grammes of fine gold, and that the minting will be done in denominations which the Minister of Finance may deem best for the circulation. (Presidential Decree of October 13th, 1927 : Article 5; and Presidential Decree of November 5th, 1927 : Article 8.)

EXPORT AND IMPORT OF GOLD.

The export of gold is prohibited. (Presidential Decree of February 15th, 1928 : Articles 1 and 2.) The import of gold is unrestricted.

¹ These requirements may also be expressed as follows :

(a) The fundamental reserve must equal 40% of the Bank's notes in circulation plus its other sight liabilities;

(b) Gold in coin or bars must make up three-fourths of this 40%, i.e., 30% of the Bank's notes in circulation plus its other sight liabilities;

(c) Of this 30%, two-thirds, i.e., 20% of the Bank's notes in circulation, plus its other sight liabilities, must be held in the Bank, while the other one-third, i.e., 10%, may be held abroad.

² These charges have not as yet been established. In practice, the Bank at present buys the small amounts of gold offered to it at the mint parity without any deduction.

PORTUGAL.

REDEMPTION.

The Bank of Portugal is required to redeem its notes in legal tender coin¹ on demand. Under extraordinary circumstances the Bank, with the consent of the Government, may suspend this obligation if such action is necessary to maintain the minimum metallic reserve. (Statutes of the Bank of Portugal : Article 18.) Since May 10th, 1891, redemption has been suspended with the Government's consent.

RESERVE.

The Bank issues gold and silver notes.² Despite the difference in name, the notes rank equally and are covered by the same reserve. The Bank is entitled to make the following note issues to a full amount of 1,988,814.00 escudos.

Debt of the State.

I. Note issue for the account of the State against loans to the Government under the contract of April 29th, 1918, the Law No. 1074 of November 27th, 1920, and the contracts of April 21st, 1922, June 7th and December 22nd, 1923, March 24th, 1924, and July 21st, 1926.

II. Note issue against gold securities and purchases of exchange for the Government's account according to the Convention of December 29th, 1922, which was superseded by Decree No. 17991, of February 24th, 1930. The Bank is required to cover this note issue, which is unlimited as to amount, to 100% by the above values.

Circulation of the Bank.

I. Note issue, under the contract of April 29th, 1918, the Law No. 1074, of November 27th, 1920, and the contracts of April 21st, 1922, and June 7th, 1923, against the following :

- (a) Gold;
- (b) Foreign balances, approved by the Government;
- (c) Foreign gold exchange.

The total of items (a), (b) and (c) shall "as a rule" represent 30% of this portion of the note circulation, but is allowed to fall to 15%. The remainder must be covered by bills maturing within three months. (Law of April 29th, 1918, with subsequent amendments.)

II. Note issue, under the contract of March 24th, 1924, against bills maturing within three months. The Bank is required to cover this note issue to 100% by the gold securities purchased with the proceeds of the silver coins belonging to the Bank.

III. Note issue, under the contract of July 21st, 1926, to be applied to commercial operations :

- (a) Temporary note issue up to 100,000 contos³. The Bank is not required to cover this issue with a gold reserve;
- (b) Definitive note issue up to 100,000 contos. The Bank is required to cover this note issue with the securities in sterling included in the item of the balance-sheet "Carteira de títulos de credito".⁴

¹ There is no gold coin.

² On February 19th, 1930, the note circulation was as follows :

	Escudos
Gold notes in circulation	1,884,835,446.00
Silver notes in circulation	18,664,820.00
Total...	1,903,499,766.00

³ A conto = a thousand escudos.

⁴ In the balance-sheet, which gives the figures of February 19th, 1930, this item stands at 3,430,537.15 escudos.

Despite these regulations, all notes are grouped together and no reserve distinctions are made either in the balance-sheet or in practice. On February 19th, 1930, the gold holdings of the Bank amounted to 8,577,180 escudos, while the total note circulation stood at 1,884,835,446 escudos.¹

Place of Deposit : The place where the gold included in the reserves is to be held is not specified.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

Gold coins of 1, 2, 5 and 10 escudos were authorised by the Decree of May 27th, 1911, but as yet, none have been issued. The right to have gold minted is not enjoyed by private persons.

EXPORT AND IMPORT OF GOLD.

The export of gold is prohibited.

The import of gold is free.

¹ A more complete picture of the position is given by the following figures which, although of December 31st, 1927, are the only ones of their nature available :

	Contos
Notes in circulation	1,857,411
Gold in coin and bars	8,577
Foreign securities and exchange	77,481
Portuguese bonds in foreign currency	37,223

The total gold, plus foreign securities and exchange, as shown above, 86,058 contos, covers scarcely 4.6% of the note circulation. If, however, these items be taken at their market value, the total is brought up to 409,027 contos, or 22% of the note circulation.

ROUMANIA.

REDEMPTION.

The National Bank of Roumania is required to redeem its notes at its Head Office on demand at its option in legal tender gold coin, gold bullion, or foreign exchange convertible into gold, without limitation as to quantity, provided redemption for no amount less than 100,000 lei be demanded at a time. (Monetary Law of February 7th, 1929 : Article 8.)

RESERVE.

The Bank is required to hold a reserve in gold or in foreign exchange which is by law and in practice convertible into exportable gold to at least 35% of its sight liabilities. At least 25% of the sight liabilities of the Bank must be covered by gold in its own vaults or on immediately callable deposit in foreign countries. (Statutes of the National Bank : Article 28.)

The sight liabilities in excess of that portion covered as above, with the State debt to the Bank and the short-term advances to the Treasury subtracted, must be covered to their full value by the Bank's other immediately realisable assets. (Statutes of the National Bank : Article 29.)

Place of deposit : See the first paragraph above under " Reserve ".

PURCHASE OF GOLD.

The Bank is not required to purchase either gold or foreign exchange on demand at a fixed price.

MINTING OF GOLD.

The Monetary Law of February 7th, 1929, does not provide for gold coin. There is, moreover, no mint in Roumania, subsidiary coin being minted abroad.

EXPORT AND IMPORT OF GOLD.

The export of gold is prohibited. (Ministerial Decision No. 64861, October 18th, 1923.)
The import of gold is unrestricted.

SALVADOR.

REDEMPTION.

The Banks of Issue were required by Articles 6 and 8 of the Law of April 29th, 1899, to redeem their notes on demand in coin, which, as the standard at that time was silver, meant silver coin. This regime continued until August 11th, 1914, when a moratorium was granted the Banks of Issue, during which they were released from the above obligation. In 1919, when the gold standard was adopted, the Banks were required to substitute gold notes for their silver notes and these gold notes were made redeemable in gold coins on demand at a fixed rate. (Law of September 11th, 1919 : Articles 1, 2 and 4.) But the moratorium was not ended, nor has it been up to the present, so that, in practice, the notes are inconvertible.

RESERVE.

Each Bank of Issue is required to hold, in United States of America gold coin, a reserve equal to at least 40% (proportion fixed by the Law of July 30th, 1928) of its note issue and to at least 20% of its sight deposits. (Law of April 29th, 1899 : Article 5, and the Law of September 11th, 1919 : Article 5.)

Place of deposit : The gold included in these reserves must be held in the vaults of the bank in question. (*Idem.*)

PURCHASE OF GOLD.

The Banks of Issue are not required to purchase gold offered to them.

MINTING OF GOLD.

Minting is done solely for the account of the State. (Law of July 15th, 1920 : Article 12.) United States gold and silver coin are legal tender at the rate of two colons to the dollar. (Law of September 11th, 1919 : Articles 1 and 3; Law of July 15th, 1920 : Article 10.) The paper currency of the United States has legal currency in Salvador and its acceptance by Banks and by public revenue offices is obligatory. (Law of September 11th, 1919 : Article 2; Law of December 16th, 1920 : Article 1.)

EXPORT AND IMPORT OF GOLD.

The export of gold is prohibited by the Law of August 11th, 1914.

The import of gold is unrestricted.

The export of silver coin is allowed only if the exporter guarantees to the Ministry of Finance that the proceeds from its sale will be used for the import of gold coin of the United States. (Law of September 11th, 1919 : Article 7.)

SIAM.

REDEMPTION.

The Minister of Finance is required to redeem all legal tender money at a fixed rate on demand, either in gold at Bangkok or in gold or gold exchange abroad at his option.

No person shall be entitled to demand redemption for an amount less than 50,000 baht.¹ (The Currency Act, B. E. 2471², Article 11.)

RESERVE.

The Minister of Finance is required to cover the note circulation to its full value by a reserve made up of the following, the proportions of which are not specified :

1. Gold;
2. Gold securities. The total amount of securities, the date of maturity of which is more than one year from the date of their purchase, shall not exceed the equivalent of 14 million baht. The nature of the securities to be held is not defined, but the term includes a fixed deposit receipt;
3. Cash placed at call, or at not more than seven days' notice, at any Bank approved by the Minister, and payable in the currency of a gold standard country;
4. Baht coins, the number of which shall not at any time exceed 52 millions or the number held at the close of the preceding year, whichever is less. (*Lex cit.* : Articles 12, 16, 17, 23.)

Place of deposit : The place where the gold included in the reserve is to be held is not specified.

PURCHASE OF GOLD.

The Minister of Finance is required to purchase gold on demand at Bangkok in exchange for legal tender money, but may at his option purchase gold or gold exchange abroad.

No person shall be entitled to demand purchase of an amount less than 50,000 baht. (*Lex cit.* : Article 11.)

MINTING OF GOLD.

Gold coin is not provided for in the Currency Act and consequently gold is not minted in Siam.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are both unrestricted under the tariff regulations.

¹ Legal value of one baht in Bangkok = 0.66567 gramme of fine gold.

² B. E. 2471 = from April 1st, 1928, to March 31st, 1929, A. D.

SPAIN.

REDEMPTION.

The Bank of Spain is required to “pay its notes to the bearer”, but the form in which this payment is to be made is not specified. (Statutes of the Bank of Spain : Article 5, final paragraph.)

RESERVE.

The Bank of Spain is required to hold the following reserves against its note circulation :

- (a) Against a circulation not exceeding 4,000 million pesetas, a reserve of 45%—a minimum of 40% in gold and the remainder in silver;
- (b) Against a circulation exceeding 4,000 million pesetas, but not exceeding 5,000 million pesetas, a reserve of 60%—a minimum of 50% in gold and the remainder in silver.

On the application of the Bank of Spain and with the recommendation of the Central Banking Council, the Government may authorise the circulation to be increased to a maximum of 6,000 million pesetas. The reserve to be held in this case is similar to that required above under (b).

Gold included in these reserves must be held in the following forms :

- (a) Spanish gold coin at its face value;
- (b) Foreign gold coin at its par value;
- (c) Gold bullion at the rate of 3,444.44 pesetas per kilogramme of fine gold;
- (d) Gold available on demand held by the Bank with its correspondents or foreign branches. This item must not exceed 3% of the gold reserve which the Bank is required to hold.

Silver included in the reserves must be coin which is legal tender in Spain.

Place of Deposit : The gold and silver included in the reserves must be held in the vaults of the Bank, with the exception of the 3% portion of the gold reserve mentioned above under (d). (Law of December 29th, 1921 : Article 1, condition 2.)

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The Mint is required to mint gold on demand for private persons. No charge is made for minting, but if smelting and refining are necessary, the cost of these operations must be borne by the person presenting the gold. (Decree No. 720, of October 19th, 1868 : Article 7.)

EXPORT AND IMPORT OF GOLD.

For the export of gold the Government's approval is required.
The import of gold is unrestricted.

STRAITS SETTLEMENTS.

REDEMPTION.

The Board of Commissioners of Currency of the Straits Settlements is required to redeem currency notes in current coin or subsidiary coin on demand. (Currency : Ordinance 147 : Article 4, paragraph 5.)

The Governor, by Proclamation, may suspend this obligation for any such period as he may see fit. (*Lex cit.* : Article 4, paragraph 6.)

The Commissioners may receive silver current coin or currency notes in exchange for sterling payable in London by the Crown Agents at a fixed rate. (*Lex cit.* : Article 10.)

RESERVE.

The Commissioners are required to hold, as a reserve against currency notes, the current coin and sterling received in exchange for currency notes, which monies form the Currency Guarantee Fund. This fund is divided into two parts :

1. The “liquid portion”, which must amount to not less than two-fifths of the amount of the notes for the time being in circulation, and of which one part, amounting to not less than one-tenth of the notes in circulation, must be kept in silver current coin in the Colony in the custody of the Commissioners, who may likewise hold in the Colony a further part in gold current coin. The balance may be kept in London in the custody of the Crown Agents and may be held in gold current coin or on deposit at the Bank of England or in Treasury Bills or lent out at call to such Banks or on such short loans or other readily realisable securities as may be approved by a Secretary of State. (*Lex cit.* : Article 7.)

2. The “investment portion” may be invested in such securities of the Government of the United Kingdom, or of India, or of any of the Dominions, or of any British Colony, or in such other British securities as may from time to time be approved by a Secretary of State. Not more than one fourth of the “investment portion” of the reserve shall be invested in securities of the Government of the Straits Settlements. (*Lex cit.* : Article 14.)

Place of deposit : See above under 1.

PURCHASE OF GOLD.

The Commissioners are not required to purchase gold or sterling offered to them.

MINTING OF GOLD.

The Straits Settlements do not possess a gold coinage.

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

SURINAM.

REDEMPTION.

The Bank of Surinam is required to redeem its notes on demand in legal tender. (The Surinam Bank Act : Articles 14 and 15.) Legal tender includes gold ten-florin coins, gold five-florin coins, and silver coins.

In case of war, or imminent danger of war, the Bank's obligation to redeem its notes may be suspended by ordinance. (*Lex cit.* : Article 16.)

RESERVE.

The Bank is required to hold a reserve in specie and bullion equal to 30% of its notes, plus its other sight liabilities. At least half of this 30% must be composed of coin which is legal tender in Surinam. (*Lex cit.* : Article 27; proportion fixed by Decree of the Governor.)

Place of Deposit : At least three-quarters of the above reserve must be kept in Surinam, including the half which the Bank is required to hold in legal tender. (*Lex cit.* : Article 27.)

PURCHASE OF GOLD.

The Bank of Surinam is not required to purchase gold offered to it at a fixed price.

MINTING OF GOLD.

Surinam has no gold coinage of its own. The ten-florin and five-florin gold coins of the Netherlands circulate as legal tender. (Mint Law of July 1st, 1909 : Article 1.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

SWEDEN.

REDEMPTION.

The State Bank of Sweden is required to redeem its notes in gold specie on demand. In the event of war, menace of war, or a serious financial crisis, this obligation may for a time be suspended by permission of the State. (Constitution of June 6th, 1809 : Article 72, as amended 1915.)

RESERVE.

The Bank has the right to issue notes for a sum equal to double the amount of the metallic reserve in addition to the fixed fiduciary issue of 250 million kronor. If an increase of the authorised note issue is deemed absolutely necessary on account of war, menace of war, or a serious financial crisis, the King and the Riksdag acting together may authorise the issue of an additional amount of 125 million kronor. The Board of Directors is bound to retire from circulation as soon as possible whatever additional notes may be issued by virtue of this authorisation. (Law of the Riksbank of May 12th, 1897 : Article 6, as amended 1915 and 1930.)

The metallic reserve includes :

- 1) All the gold coin and bullion belonging to the Bank and located in the country;
- 2) Gold coin and bullion belonging to the Bank and on deposit abroad or in transit therefrom, provided it is covered by a marine insurance policy. This item may not exceed 15 % of the total required metallic reserve.

The metallic reserve may not be maintained at an amount below 150 million kronor. (*Lex cit.* : Article 8, as amended 1913 and 1930.)

That portion of the note issue which exceeds the metallic reserve must be covered by the following assets :

- (a) Easily negotiable government securities;
- (b) Bonds of the Royal Mortgage Bank of Sweden¹, of the Swedish Cities Mortgage Bank, and other domestic bonds which are quoted on foreign exchanges;
- (c) Gold in coin or bullion which is not included in the metallic reserve and which is on deposit abroad or in transit therefrom provided it be covered by a marine insurance policy;
- (d) Bills of exchange payable in Sweden or abroad;
- (e) Funds with a maximum maturity of six months deposited on account with foreign banks or bankers, from which amount must be deducted any sums to the debit of such accounts;
- (f) Advances made on government securities and bonds as mentioned in (a) and (b) above. (*Lex cit.* : Article 7, as amended 1914 and 1930.)

Place of deposit : See above.

PURCHASE OF GOLD.

The Bank is required to purchase gold offered to it at a fixed price with deductions for assay and minting expenses.

¹ These bonds are secured by farm lands.

MINTING OF GOLD.

The Royal Mint is required to accept gold on demand from any person and to give in exchange 10-krona or 20-krona pieces on payment of $\frac{1}{3}\%$ of the value of the amount minted in the case of the former and $\frac{1}{4}\%$ of such value in the case of the latter. (Law of May 30th, 1873, concerning the Coinage of the Realm : Article 9.)

EXPORT AND IMPORT OF GOLD.

The export of gold is unrestricted. (Proclamation 56, March 31st, 1924.)

The import of gold is unrestricted. (Royal Decree No. 51, of March 28th, 1930.)

SWITZERLAND.

The National Bank of Switzerland is governed by the Law of April 7th, 1921, which was modified by the Law of December 20th, 1929. The provisions analysed below are those of the Law of December 20th, 1929, which came into force on April 1st, 1930,¹ but, in the Annex, the relevant articles from the Law of April 7th, 1921 are also reproduced.

REDEMPTION.

The National Bank of Switzerland is required to redeem its notes on demand in the gold coin of Switzerland. (Law of December 20th, 1929 : Article 1, section amending Article 20 of the Law of April 7th, 1921.) This obligation may be suspended by the Government only in case of necessity in time of war. (*Lex cit.* : Article 1, section amending Article 22 of the Law of April 7th, 1921.)

However, as long as the banks of issue which are considered important by the authorities of the Bank do not redeem their notes in gold coin, the Bank may redeem its own notes at its choice in one of the following forms :

- (a) Gold coin of Switzerland;
- (b) Gold bullion, calculated at the legal monetary rate, in bars of the usual weight (approximately 12 kilogrammes);
- (c) Gold exchange, either in cash or cheque, on countries possessing a free gold market. The rate of exchange will be the rate of the day but it must not, in any case, exceed the export point to the place in question for the gold coin of Switzerland. The choice of the place is reserved to the Bank. (*Lex cit.* : Article 1, section adding an Article 20 *bis* to the Law of April 7th, 1921.)

RESERVE.

The Bank is required to cover at least 40% of the note circulation by :

- (a) Gold coin of Switzerland;
- (b) Gold bullion calculated at the legal monetary rate with deduction for minting charges;
- (c) Foreign gold coin.

The bank is required to cover the remainder of the note circulation by :

- (a) Bills of exchange and cheques on Switzerland, and Swiss securities;
- (b) Bills of exchange and cheques on foreign countries, foreign Treasury bills, and foreign sight assets;
- (c) Loans resulting from advances on current account against certain specified securities (Article 14, paragraph 4 (b)) or precious metals (Article 14, paragraph 8). (*Lex cit.* : Article 1, section amending Article 19 of the Law of April 7th, 1921.)

Place of deposit : The Bank is required to hold the entire legal minimum gold reserve (40% of note circulation) in Switzerland.² (*Lex cit.* : Article 1, section amending Article 19 of the Law of April 7th, 1921.)

¹ Act of the Federal Council of March 28th, 1930.

² Before the Law of December 20th, 1929, came into force, the place where the gold included in the reserve was to be held was not specified and it was the Bank's custom to keep from six to ten per cent of the metallic reserve on deposit abroad.

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The Federal Mint is required to mint gold for private persons into 20-franc and 10-franc pieces in quantities of not less than one hundred thousand francs, subject to the sanction of the Department of Finance in every instance. (Regulations for Minting Gold Coin for the Account of Private Persons, November 11th, 1921 : Article 1.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

TURKEY.

The note circulation in Turkey is made up of Government notes and notes of the Ottoman Bank.

The Minister of Finance was authorised to issue notes by the Law of March 30th, 1915. The sum total of the several issues provided for by the laws which were promulgated, and the Conventions and additional acts which were concluded between the Turkish Government and the Administration Board of the Ottoman Public Debt, between 1915 and 1918, amounted to £T192,414,494, of which sum there was actually issued, in seven issues, a total of £T161,018,663.60. A sum amounting to £T2,270,100 having been redeemed in gold and a further sum of £T5,000,000 having been withdrawn from circulation after the issue of an equal sum of bronze and nickel coin, the total note circulation in 1925 was £T158,748,563.00. By the Law of October 30th, 1925, the Government was authorised to replace the notes of the various issues by a single issue of new notes for the amount of £T158,748,563.60, which was equal to the amount at that time in circulation. This replacement was done between 1927 and 1928. By the Law of March 25th, 1929, the maximum issue permitted was increased to £T158,748,563.60, at which figure it stands at present.

The Ottoman Bank was entitled in its charter to issue bank-notes, and this privilege was extended to 1935 by the Convention of March 10th, 1924.

REDEMPTION.

1. *Government Notes.*

The Government notes are inconvertible. (Law of March 30th, 1915 : Article 2; Law No. 701, of October 30th, 1925 : Article 5.)

2. *Notes of the Ottoman Bank.*

The notes of the Ottoman Bank which are in circulation are inconvertible. (Law of March 30th, 1915 : Article 2.) These notes were issued prior to March 10th, 1924.

The Convention of March 10th, 1924, which maintained the note-issuing privilege of the Ottoman Bank, requires the Bank to redeem the notes which it issues after that date on demand in gold.

RESERVE.

1. *Government Notes.*

The Government is not legally required to hold any reserve against its notes.

2. *Notes of the Ottoman Bank.*

The Ottoman Bank is not legally required to hold any reserve against its notes in circulation—*i.e.*, its notes issued prior to March 10th, 1924.

The Convention of March 10th, 1924, stipulated that, against all notes issued after that date, the Bank must hold a $33\frac{1}{3}\%$ gold cover. One half of this gold cover—*i.e.*, one-sixth of the amount of the notes—must be held in gold coin. The other half may be composed of Turkish or foreign bonds and Government securities selected with the approval of the Minister of Finance and held at their gold par value. The Ottoman Bank, up to the present, has not made use of this privilege.

PURCHASE OF GOLD.

Neither the Government nor the Ottoman Bank are required to purchase gold offered to them.

MINTING OF GOLD.

The Law of April 8th, 1916, established the gold piastre¹ as the monetary unit and provided for the minting of gold coins. The privilege of minting belongs only to the Government. At present there is no gold coin in circulation.

EXPORT AND IMPORT OF GOLD.

The export of gold is prohibited. (Law of January 18th, 1916.)
The import of gold is unrestricted.

¹ 100 piastres = 1 Turkish pound.

UNION OF SOUTH AFRICA.

REDEMPTION.

The South African Reserve Bank is required to redeem its notes in gold specie on demand at the office of issue. (The Currency and Banking Act of 1920; amended 1923 : Article 16.)

RESERVE.

Bank-notes.

The South African Reserve Bank is required to secure its notes by a reserve of at least 40% in gold or gold specie. (*Lex cit.* : Article 17.)

Place of deposit : In addition to that held in its own vaults, gold in the mint and gold in transit belonging to the Bank may be counted as part of its reserves. The Bank may also, with the consent of the Treasury, hold gold balances outside the Union in the custody of its own branches or agencies or deposited in other banks earmarked for the Bank's account to an amount not exceeding one fourth of the total reserve requirements. (*Lex cit.* : Article 17.)

Subject to the consent of the Treasury, the Bank may suspend for not more than thirty days, renewing such suspension for periods of not more than fifteen days at a time, the above reserve requirements, provided it pay a graduated tax to the Treasury during such period on the amounts by which the reserve for notes may fall below the reserve requirements of the Act in respect of such notes and provided further that the Bank shall add to its rates of interest and discount a percentage at least equal to the percentage of the tax levied. (*Lex cit.* : Article 19.)

Other Obligations.

The South African Reserve Bank is required to secure its deposits and its bills payable by a reserve in gold or specie of at least 40% in addition to the gold required as a reserve for its notes. Not more than 20% of this reserve may be held in silver specie. (*Lex cit.* : Article 23.)

Place of deposit : One-fourth of this reserve may, with the consent of the Treasury, be held outside the Union, provided such reserve is held in the Bank's custody or is deposited in another bank and earmarked for its account. (*Lex cit.* : Article 23.)

PURCHASE OF GOLD.

The South African Reserve Bank is not required to buy gold offered to it.

MINTING OF GOLD.

There is a branch of the Royal Mint at Pretoria. If any person brings gold bullion to the Pretoria Branch Mint, the Deputy Master is required to assay it and coin it into sterling gold coins on the payment of a fixed fee. No preference may be shown to anyone as regards the order in which the bullion offered is coined. The term "sterling gold coins" means gold coins of the same denominations, designs, weights and fineness as those coined at the Royal Mint in London. Sterling gold coins issued from the Pretoria Branch Mint are deemed to have been issued from the Royal Mint and are current and a legal tender as if they had been coined and issued in England.¹

¹ The coins struck at the Pretoria Branch Mint are distinguished from London pieces only in that they bear the microscopic Mint mark S.A.

In addition to sterling gold coins there may be coined at the Pretoria Branch Mint any coins of any metal which the Minister of Finance has power to have coined or which the Governor-General in Council may authorise to be coined. These coins, however, may not be deemed as having been made at and issued from the Royal Mint. (The Pretoria Mint Proclamation, 1922, based upon the Coinage Act, 1870¹: Article 11, paragraph 8.)

EXPORT AND IMPORT OF GOLD.

The restrictions on the export of gold were removed on May 18th, 1925.
The import of gold is unrestricted.

¹ The relevant passages from the Coinage Act, 1870, will be found in the Annex under the heading, Great Britain.

THE UNITED STATES OF AMERICA.¹

SUMMARY.²

	Circulation \$	Gold Reserve \$
Gold certificates	879,557,000	879,557,000
Silver certificates	416,880,000	None
United States notes	264,881,000	155,420,721 ³
Treasury notes of 1890	1,273,000	None ⁴
National bank-notes	597,100,000	None
Federal reserve notes	1,862,420,000	40%
Federal reserve bank-notes	3,413,000	None
Total	4,025,524,000	
Deposits in Federal Reserve Banks.....	2,361,760,000 ⁵	35% ⁶

REDEMPTION.

1. *Gold Certificates.*

The Treasurer of the United States is required to redeem gold certificates in gold coin ⁷ on demand. (Act of March 3rd, 1863; Act of July 12th, 1882; Act of March 14th, 1900; Act of March 4th, 1907; Act of March 2nd, 1911.)

2. *Silver Certificates.*

The Treasurer of the United States is required to redeem silver certificates in standard silver dollars ⁷ on demand. (Act of February 28th, 1878; Act of March 3rd, 1887; Act of March 14th, 1900.)

3. *United States Notes.*

The Treasurer of the United States is required to redeem United States notes in gold coin on demand. (Act of February 25th, 1862; Act of July 11th, 1862; Act of March 3rd, 1863; Act of April 12th, 1866; Act of February 4th, 1868; Act of January 14th, 1875; Act of May 31st, 1878; Act of March 14th, 1900; Act of May 30th, 1908.)

4. *Treasury Notes of 1890.*

The Treasurer of the United States is required on demand to redeem Treasury notes in United States gold coin or in standard silver dollars at the option of the holder. (Act of July 14th, 1890; Act of November 1st, 1893; Act of June 13th 1898; Act of March 14th, 1900.)

¹ The monetary system of the United States is prescribed for, and current money of the United States is used in the following territories and dependencies: Alaska, including the Aleutian Islands; Hawaii, Midway and Wake Islands; Guam; Yap; American Samoa; Porto Rico.

² Figures for December 31st, 1929; *Federal Reserve Report*.

³ Fixed Figure.

⁴ The gold reserve of the United States notes may be used for the redemption of these notes if the holder demands redemption in gold.

⁵ Daily average for February, 1930; *Federal Reserve Report*.

⁶ This 35% may legally be made up of gold or lawful money, but it is in fact composed entirely of gold.

⁷ Gold coin and standard silver dollars are what is called "standard money" and are not redeemable. All forms of money are convertible into "standard money".

5. *National Bank-Notes.*

National bank-notes are obligations of the national bank which procures them from the Government and puts them into circulation. The Treasurer of the United States is required on demand to redeem them in the lawful money¹ of the United States out of the lawful money¹ fund which the national banks are required to keep in the Treasury.

Each national bank is required on demand to redeem its own circulating notes in the lawful money¹ of the United States. (Act of February 25th, 1863; Act of June 3rd, 1864; Act of June 20th, 1874; Act of July 12th, 1882; Act of March 14th, 1900; the Federal Reserve Act.)

6. *Federal Reserve Notes.*

Federal reserve notes are obligations of the United States, and the Treasurer of the United States is required to redeem them on demand in gold out of the gold fund which the Federal reserve banks are required to keep on deposit in the Treasury.

Any Federal reserve bank is required on demand to redeem in gold or the lawful money¹ of the United States the notes of all other Federal reserve banks. (Federal Reserve Act : Section 16, paragraph 1.)

7. *Federal Reserve Bank-Notes.*

Federal reserve bank-notes are obligations of the Federal reserve bank which procures them from the Government and puts them into circulation. The Treasurer of the United States is required on demand to redeem them in the lawful money¹ of the United States out of the lawful money¹ fund which the Federal reserve banks are required to keep in the Treasury.

Each Federal reserve bank is required on demand to redeem its own circulating notes in the lawful money¹ of the United States. (Federal Reserve Act : Section 4, paragraph 8, and Section 18.) (See "Federal Reserve Bank-Notes" under "Reserve".)

RESERVE.

1. *Gold Certificates.*

Gold certificates are receipts for deposits of either gold bullion or foreign or domestic gold coin with the Treasurer of the United States who is required to keep the gold deposited in reserve so long as the certificates remain in circulation. (Act of March 3rd, 1863; Act of July 12th, 1882; Act of March 14th, 1900; Act of March 4th, 1907; Act of March 2nd, 1911.)

Place of deposit : The gold for which gold certificates are receipts must be kept on deposit in the Treasury of the United States.

2. *Silver Certificates.*

Silver certificates are receipts for deposits of United States standard silver dollars with the Treasurer of the United States, who is required to keep the silver dollars deposited in reserve so long as the certificates remain in circulation. (Act of February 28th, 1878; Act of March 3rd, 1887; Act of March 14th, 1900.)

Place of deposit : The standard silver dollars for which silver certificates are receipts must be kept on deposit in the Treasury of the United States.

¹The term "lawful money" first appeared in the Act of February 25th, 1862, authorising the issue of United States notes. Lawful money is money which has been given the quality of legal tender by a legislative act. Gold coin, gold certificates, standard silver dollars (except where otherwise expressly stipulated in the contract), Treasury notes of 1890 (except where otherwise expressly stipulated in the contract), and United States notes (except in payment of duties on imports and interest on the public debt) are unlimited legal tender. Silver certificates, National bank-notes, Federal reserve notes, and Federal reserve bank-notes are not legal tender.

3. *United States Notes.*

The Treasurer of the United States is required to hold for the redemption of United States notes a reserve in gold coin and bullion of not less than \$150,000,000.¹ (Act of February 25th, 1862; Act of July 11th, 1862; Act of March 3rd, 1863; Act of April 12th, 1866; Act of February 4th, 1868; Act of January 14th, 1875; Act of May 31st, 1878; Act of March 14th, 1900; Act of May 30th, 1908.)

Place of deposit : The \$150,000,000 gold reserve against United States notes must be held in the Treasury of the United States.

4. *Treasury Notes of 1890.*

The Treasurer of the United States is required to hold for the redemption of Treasury notes a reserve in standard silver dollars equal to the full value of the notes outstanding.

These notes may be redeemed in gold as well as in silver but no gold reserve is held for them, redemption being made out of the gold reserve held for United States notes. Notes redeemed in gold are re-issued; those redeemed in silver are cancelled and silver certificates are issued in their place. (Act of July 14th, 1890; Act of November 1st, 1898; Act of June 13th, 1898; Act of March 14th, 1900.)

Place of deposit : The standard silver dollars which form this reserve must be held in the Treasury of the United States.

5. *National Bank-Notes.*

National banks are required to deposit with the Treasurer of the United States as a reserve against the notes issued by the Treasury to them :

1. Registered bonds of the United States to the full value of the notes issued.
2. Lawful money² to the amount of 5% of the notes issued.

(Act of February 25th, 1863; Act of June 3rd, 1864; Act of June 20th, 1874; Act of July 12th, 1882; Act of March 14th, 1900; The Federal Reserve Act.)

6. *Federal Reserve Notes.*

Federal reserve notes are issued for the purpose of making advances to Federal reserve banks and any Federal reserve bank may make application therefor to its Federal reserve agent.

Federal reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal reserve bank. They are secured as follows :

(1) A Federal reserve bank, when making application to the local Federal reserve agent for Federal reserve notes, must accompany such application with a tender of collateral equal to the sum of the notes applied for. The collateral thus offered must be notes, drafts, bills of exchange, or acceptances acquired under the provisions of Section 13³ of the Federal Reserve Act, or bills of exchange endorsed by a member bank of any Federal reserve district and purchased under the provisions of Section 14³ of the Federal Reserve Act, or bankers' acceptances purchased under the provisions of the same section, or gold or gold certificates.

(2) The notes when issued must be secured by a gold reserve of 40 per cent, at least 5 per cent of which must be deposited with the Treasurer of the United States as a redemption fund. Any gold or gold certificates held as collateral by the Federal reserve agent may be counted as part of this reserve.

¹ This fund, which at present stands at \$152,977,036.63 is known as the "gold reserve".

² See the footnote on the preceding page.

³ It has not been found practicable to summarise the provisions of Sections 13 and 14 of the Federal Reserve Act here. These two sections may, however, be found in full in the Annex.

The Federal Reserve Board has the right to suspend any reserve requirements of any Federal reserve bank for a period not exceeding thirty days or renewable for more than fifteen days, subject to a graduated tax on the deficiency. (Federal Reserve Act, Section 11, paragraph C, and Section 16.)

Place of deposit : With the exception of the minimum amount of 5%, which must be kept in the Treasury of the United States, the place where the gold reserve against Federal reserve notes is to be held is not specified.

7. Federal Reserve Bank-Notes.

Federal reserve bank-notes are being retired and lawful money ¹ has been deposited by the Federal reserve banks with the Treasurer of the United States for this purpose.

8. Deposits in Federal Reserve Banks.

Federal reserve banks are required to hold against the deposits placed with them a reserve of not less than 35% in gold or lawful money.¹ (Federal Reserve Act, Section 16, paragraph 3.)

Place of deposit : The place where the gold included in this reserve is to be held is not specified.

PURCHASE OF GOLD.

The Secretary of the Treasury is required to maintain the parity of all kinds of money with the standard unit of value, and if necessary to maintain such parity he is authorised to borrow or buy gold. (First laid down by the Act of February 25th, 1862.)

The Treasurer of the United States is required against the issue of gold certificates to buy all gold offered at a fixed price. (Act of March 3rd, 1863.)

The Federal reserve banks and the national banks are not required to buy gold offered at a fixed price.

MINTING OF GOLD.

The several mints of the United States are required to coin gold on demand for private persons if presented in an amount over \$100 in value. (Act of February 12th, 1873.)

EXPORT AND IMPORT OF GOLD.

Both the export and the import of gold are unrestricted.

¹ See the footnote on page 136.

URUGUAY.

REDEMPTION.

The Bank of the Republic of Uruguay (Banco de la República Oriental del Uruguay) is required on demand to redeem its notes of less than ten pesos at its option in silver or gold coin, and its notes of ten pesos and over in gold. (Charter of the Banco de la República Oriental del Uruguay : Article 10.) The Bank was, however, released from this obligation by Article 2 of the Law of August 8th, 1914, the provisions of which were periodically renewed. The Bank's notes are still inconvertible. (Law of December 17th, 1923 : Article 2.)

RESERVE.

The Bank is authorised to issue notes of less than ten pesos up to 50% of its paid-up capital, and, in addition, notes of ten pesos and over up to three-times its paid-up capital. (Charter of the Banco de la República Oriental del Uruguay : Article 10.) Over and above this, the Bank may issue notes of ten pesos and over corresponding to the value of its gold deposits abroad up to a maximum of fifteen million pesos. (Law of October 18th, 1928 : Article 3.)

The above stipulations refer only to the amount of notes which the Bank is authorised to issue. Wholly apart from these stipulations the Bank is required to hold a gold reserve equal to not less than 40% of its note circulation, plus its other sight liabilities. (Charter of the Banco de la República Oriental del Uruguay : Article 10, amended by the Law of November 27th, 1917 : Article 1.)

Place of Deposit : The Bank is required to hold in its own vaults fifty-five million pesos of its gold reserve. The surplus over this amount may be held wherever the Bank wishes, and if deposited abroad it shall, nevertheless, form an integral part of the reserve. (Charter of the Banco de la República Oriental del Uruguay : Article 10, amended by the Law of October 18th, 1928 : Articles 1 and 2.)

PURCHASE OF GOLD.

The Bank is not required to purchase gold offered to it.

MINTING OF GOLD.

The Law of June 23rd, 1862, provided for a gold coin called a doubloon, equal in value to ten silver pesos, but, up to the present, it has not been minted. A gold 5 coin has recently been issued in commemoration of the first Centenary of Uruguayan Independence, but its minting is not free.

EXPORT AND IMPORT OF GOLD.

The export of gold was prohibited by Article 10 of the Law of August 8th, 1914, the provisions of which were periodically renewed. It is still prohibited, but with the exception that the Bank may export its gold reserve which is in excess of fifty-five million pesos, if it sees fit. (Law of December 17th, 1923 : Article 2. Law of October 18th, 1928 : Article 1.)

The import of gold is unrestricted.

VENEZUELA.

The State alone has the right to authorise the issue of notes, which privilege it may entrust to national companies. (Bank Law of July 19th, 1926 : Article 20.) Banks desirous of obtaining this privilege must apply to the Federal Executive through the Ministry of Commerce and must fulfil certain specified requirements. One of these is that the capital with which the bank has been constituted must be gold coin of legal currency. (*Lex cit.* : Article 21.)

The Federal Executive shall decide whether a bank shall or shall not be granted the right to issue notes. Unless nothing is stipulated to the contrary a bank obtaining this authorisation may issue notes up to twice the amount of its paid-up capital, but the Federal Executive, when granting the authorisation, if it considers it to the national interest, may fix a lower limit. (*Lex cit.* : Articles 22 and 26.) The Federal Executive also has the power to authorise the Banks of Issue to issue notes up to three times their paid-up capital, when it considers that the needs of the circulation require it. Should this authorisation be cancelled, the excess notes must be withdrawn from circulation within three months. (*Lex cit.* : Article 27.) The Federal Executive may also declare, when it considers it to the national interest, that no further authorisation to issue notes shall be granted for a certain period. (*Lex cit.* : Article 23, sub-paragraph.)

At present there are six authorised Banks of Issue, four in Caracas and two in Maracaibo.

REDEMPTION.

Each Bank of Issue is required to redeem its notes in coin of legal currency on demand without limit as to quantity. (*Lex cit.* : Article 26.) Coin of legal currency includes domestic gold, silver and nickel coin, as well as foreign gold coin which the Federal Executive may authorise to circulate in Venezuela. (Currency Law of June 24th, 1918 : Articles 3 and 20.)

RESERVE.

Against Bank-Notes.

Each Bank of Issue is required to hold a reserve in gold coin of legal currency equal to at least one-third of the value of the notes issued by it. The remainder of the notes issued, up to their full value, must be covered by other coin of legal currency or by domestic securities payable at sight or within 30 days.

However, the reserve may be reduced in proportion to the amount represented by notes which are not in circulation, provided such notes are kept with the gold reserve. (Bank Law of July 19th, 1926 : Article 26.)

Should the national interest require it, the Federal Executive may require the Banks of Issue to guarantee their note issue with a reserve greater than that stipulated above. (*Lex cit.* : Article 26.)

When the Federal Executive authorises the Banks of Issue to issue notes up to three times their paid-up capital, the excess notes issued in virtue of such an authorisation must be covered to their full value by gold coin of legal currency. (*Lex cit.* : Article 27.)

Place of deposit : The gold coin, both that held as cover for the ordinary note issue and that held for extraordinary issues, must be kept in the vaults of the bank in question. (*Lex cit.* : Articles 26 and 27.)

Against Deposits.

The Bank of Venezuela, in its capacity of Fiscal Agent of the Government Treasury, is required, under the terms of its contract, to hold in gold the deposits which the Government makes with it as the result of the budget surplus.

PURCHASE OF GOLD.

There exists no obligation, either on the Government or on the Banks of Issue, to purchase gold offered to them.

MINTING OF GOLD.

The State alone has the right to mint gold. (Currency Law of June 24th, 1918 : Article 1.) Orders for minting are issued by the Federal Executive in accordance with the requirements of the circulation and subject to the previous authorisation of the National Congress. (*Lex cit.* : Article 14.) No minting of silver is allowed unless the same decree provides that double the quantity of gold be minted at the same time. If, however, at the time the silver is minted there is twice the quantity in minted gold in the Treasury reserve fund, the additional minting of gold may be dispensed with. (*Lex cit.* : Article 15.)

EXPORT AND IMPORT OF GOLD.

The export and import of gold are unrestricted.

Since, in accordance with Article 15 of the Currency Law of June 24th, 1918, a fixed proportion is established between the coinage of gold and silver, and since, in accordance with Articles 1 and 14 of the same law, no gold may be coined except by order of the Federal Executive, the Banks of Issue, in order to maintain the legal ratio of their reserves in gold coin of legal currency, are obliged to import foreign gold coin which the Federal Executive authorises to circulate with legal currency. The gold coin in fact imported is that of the United States of America. The largest importer is the Bank of Venezuela, since it must guarantee the Government deposits as well as its own notes.

YUGOSLAVIA.

REDEMPTION.

The National Bank alone has the right to issue bank-notes in the Kingdom of Yugoslavia. The Bank is required to redeem its notes on demand in legal tender currency and this requirement must be indicated in the text of the notes. (Statutes of the National Bank of Yugoslavia : Articles 29 and 30.)

In exceptional cases, the Bank, with the consent of the Cabinet, may temporarily suspend this obligation.

At present, the obligation of the National Bank to redeem its notes in legal tender currency is suspended. (Law on the National Bank of Yugoslavia : Temporary Provision No. XII.)

RESERVE.

The Bank is required to hold two reserves as cover for its notes :

1. *A metallic reserve*, consisting of gold and silver specie in the vault of the Bank and on deposit for its account in foreign countries. The amount of each of these and their relative proportions in the metallic reserve shall be fixed by common agreement between the Minister of Commerce and Industry, the Minister of Finance and the National Bank. The Bank may issue notes to a maximum amount of three times the metallic reserve.

2. *A commercial reserve*, consisting of easily realisable commercial paper acquired by such operations as are permitted to the Bank (see Article 19 of the Bank Statutes in the Annex) and bills of exchange of the Union of Agricultural Co-operatives and of the Union of Peasant "Zadrougas". The remainder of the note circulation over and above that covered by the metallic reserve must be covered by the commercial reserve. (Statutes of the National Bank : Articles 32, 33 and 34.)

In addition to the Bank's ordinary note issue, provided for as above, three provisional note issues are also outstanding on the books of the Bank :

1. Notes issued to replace the crowns of the former Austro-Hungarian Empire. These notes are guaranteed by the State with the following security :

- (a) State domains equivalent in value to that of the entire debt;
- (b) A Treasury bond of like amount (Law on the National Bank, Temporary Provision No. IV).

2. Notes of the National Bank of the Kingdom of Serbia still in circulation. The State has engaged itself to hold against these notes a reserve in gold and foreign credits to the sum of 300 million dinars, and to keep this reserve at the same height during the period of inconvertibility. (*Lex cit.* : Temporary Provisions Nos. VIII and IX.)

3. Advances by the Bank to the Minister of Finance to the amount of 2,425 million dinars. The State has engaged itself to guarantee the whole of this debt by a lien on its productive domains. (*Lex cit.* : Temporary Provision No. X.)

These provisional issues do not form a part of the Bank's proper note issue, but nevertheless the metallic reserves held by the Bank, as well as its foreign credits and all its other assets, serve as cover to the entire fiduciary issue. (*Lex cit.* : Temporary Provision No. VII.)

Place of deposit : The Bank's metallic reserves must be held in its own vaults or on deposit for its account abroad. (Statutes of the National Bank : Article 33.)

PURCHASE OF GOLD.

Neither the State nor the National Bank is required to purchase gold offered to them.

MINTING OF GOLD.

The minting of gold is not free. For the only issue of gold coin which has been made to date it was provided that gold belonging to the State and held at the National Bank had to be used. There is, moreover, no mint in Yugoslavia. (Finance Law of 1924-1925; Article 286.)

EXPORT AND IMPORT OF GOLD.

The export of gold is forbidden. (Law of September 23rd, 1921 : Article 3.)

The import of gold is unrestricted. All gold imports, however, except those of legal-tender gold coin, are subject to a Customs duty.

EXTRACTS FROM LAWS AND STATUTES

ALBANIA.

[*Translation.*]

STATUTES OF THE NATIONAL BANK.

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SECTION III.—PURPOSE AND DUTIES OF THE BANK.

Article 15.

The Bank has for its purpose the exclusive exercise of the right to issue paper money having free currency and being legal tender for all payments made in Albania. The Bank also enjoys the exclusive right to mint and issue the gold coin and all of the subsidiary coin of Albania. The profits which accrue from these operations last mentioned shall be divided equally between the Government and the Bank.

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SECTION IV.—ISSUE OF BANK-NOTES.

Article 21.

The Bank of Albania shall have the exclusive right to issue paper currency in the State of Albania.

The bank-notes shall be made out to bearer and shall be legal tender; they may be employed in discharge of all payments to be effected in the legal coinage of Albania. They shall be accepted by the Treasury and other official institutions.

Article 22.

The notes shall be issued by the Bank solely in connection with the operations authorised by the present Law and by the Statutes, and in exchange for gold and silver currency.

The Bank shall maintain a metal reserve (gold and silver, bullion or coin) amounting to not less than one-third of the value of the bank-notes issued.

The Board of Directors shall decide where the reserve in question is to be deposited.

If the Board of Directors of the Bank so decides, a portion of the said reserve, which shall in no case exceed two-thirds, may consist of foreign values, provided they are absolutely safe and stable. Foreign values are understood to mean :

- (a) Foreign bank-notes not subject to abnormal exchange fluctuations;
- (b) Foreign treasury obligations of not more than three months' term, payable in gold or in exchange not subject to abnormal fluctuations;
- (c) Bills of exchange issued in foreign currencies not subject to abnormal exchange fluctuations, payable in the leading money markets of Europe and America within a maximum period of three months, and in every case bearing the signature of two juridical persons who are bound by the bill and are recognised as solvent, or of an establishment of unquestioned solvency.

Assets and funds immediately available without any restrictions, deposited in establishments of unquestioned solvency in the leading money markets of Europe and America, shall likewise be regarded as foreign values.

Article 23.

Should the ratio between the amount of the reserve stipulated in the preceding article and the bank-notes issued fall below one-third, the Bank shall be obliged, so long as this discrepancy between the reserve and the bank-notes exists, to increase the rate for discount and all other operations as follows :

1 % (one per cent) if the reserve falls below $33\frac{1}{3}$ % (thirty-three and one-third per cent), but is not less than $31\frac{1}{2}$ % (thirty-one and a half per cent);
 $1\frac{1}{2}$ % (one and a half per cent) for each further reduction equivalent to $1\frac{1}{2}$ % (one and a half per cent).

Article 24.

The bank-notes shall be repayable at sight at the head office of the Bank in one of the following forms, as decided by the Board of Directors of the Bank :

- (a) In the gold currency of the Albanian State;
- (b) In foreign bank-notes negotiable in countries in which such notes are freely convertible into gold at the bearer's option;
- (c) By cheques or telegraphic payments drawn against funds available on current accounts with foreign banks in countries whose currency is sufficiently stable and is negotiable in the leading markets.

The rate at which the bank-notes shall be converted into the currencies mentioned above shall be based on the rate of the latter as compared with gold at the time of conversion.

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ALGERIA.

[*Translation.*]

CURRENCY LAW OF JUNE 25TH, 1928.

ARTICLES 1, 3 AND 9.

(See under the heading "France".)

APPROVAL GIVEN BY THE PRIME MINISTER AND MINISTER OF FINANCE TO THE INSTRUCTIONS WHICH THE DIRECTOR-GENERAL OF THE BANK OF ALGERIA PROPOSED TO ISSUE TO THE BRANCHES OF THE BANK.

Paris, July 6th, 1928.

In your letter of July 3rd, 1928, you were good enough to communicate to me the text of the instructions you propose to send to the branches of the Bank of Algeria concerning the re-establishment of the convertibility into gold of the bank-notes issued by them. You lay down that these notes shall for the present be re-payable only in gold bars, a minimum quantity being fixed, as in the case of the Bank of France, and that, as a general rule, these bars shall not be delivered to the interested parties in Algeria or Tunisia, but only in Paris at the head office of your establishment.

I have the honour to inform you that I regard these provisions as justified, and consequently approve the text of the instructions you have submitted to me.

(Signed) R. POINCARÉ,
Prime Minister,
Minister of Finance.

INSTRUCTIONS SENT BY THE DIRECTOR-GENERAL OF THE BANK OF ALGERIA TO THE BRANCHES OF THE BANK.

Under Article 1 of the Law of June 25th, 1928, the notes of the Bank of Algeria cease in principle to have forced currency. This does not mean that such notes are at present repayable at sight in coin.

There are not, in fact, at the present time, any gold or silver coins which are legal tender and therefore exchangeable for bank-notes, as Article 9 of the above-mentioned Law lays down that coins minted previously cease to be legal currency as between individuals, and cannot be accepted as payment by the public authorities.

Furthermore, Article 3 of the above Currency Law provides that the notes of the Bank of Algeria shall be convertible under the conditions established by agreement between the Minister of Finance and the Bank, which are similar to those specified in connection with the convertibility of notes of the Bank of France.

These conditions are as follows :

Until further notice, the Bank of Algeria shall ensure the convertibility of its notes by exchanging them for gold bars deliverable in Paris, at the rate of 65.5 milligrammes of gold of a fineness of 900/1000ths (nine hundred thousandths) per franc. Each bar delivered in Paris shall weigh 12 kilogrammes 600 grammes—*i.e.*, its value shall be 215,000 francs.

If a holder of notes wishes to exchange these notes for bars, he may apply for the purpose to any branch or office of the Bank of Algeria, which shall receive the notes to be exchanged and shall send the request for exchange to the branch of Alger Escompte. The sum deposited for exchange must be equal to the minimum value of a bar or some multiple of this value.

The branch of the Alger Escompte shall issue a "voucher for delivery" in the name of the receiver designated by the holder of the notes, the sum to be payable in gold bars at the head office in Paris. The head office shall arrange for the delivery of the bars in Paris to the person designated in the voucher upon presentation of the voucher. The Algiers branch shall immediately notify the head office of the issue of each voucher.

The Bank is, moreover, in a position to deliver without charge in exchange for its notes, cheques on Paris and on London and New York at the current rates. The Algiers branch shall deliver these cheques in Algeria, and the Tunis branch in Tunisia.

If, for absolutely justifiable reasons, a holder of notes asks for delivery of the bars at Algiers, he must submit this request to the head office with all necessary explanations and the head office will decide to what extent the request can be complied with by the delivery of bars at Algiers instead of in Paris.

You should, however, bear in mind that such requests must be absolutely exceptional and that the Bank cannot encourage transactions of a reprehensible nature by delivering gold at Algiers for private purposes, the cost of transport of which has to be borne by dealers in gold.

With regard to the delivery of bars in Paris, you should remember that this transaction itself is of a purely exceptional nature, since the current requirements of trade should be met by drafts on Paris or abroad.

DRAFT LAW ¹ FOR THE REFORM OF THE CURRENCY REGULATIONS OF THE BANK OF ALGERIA.

Article 1.

The Bank of Algeria must hold a reserve of gold bars, or French or Tunisian gold coins, or notes of the Bank of France, or assets payable at sight on France, equal to a minimum of 35% of the total amount of its bearer notes in circulation and its current credit accounts.

One-third at least of the reserve thus defined must consist of gold bars, or French or Tunisian gold coin.

Article 2.

The ratio of the reserve to the sight obligations specified in Article 1 of the present law may be temporarily less than 35% provided it remains above 30% and on the condition that the Bank of Algeria pay to the State a special graduated tax in accordance with the following scale :

(This scale on account of its size is not reproduced here.)

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¹ This draft law was submitted to the Chamber on July 5th, 1929, by M. Henri Chéron, Minister of Finance, but has not yet been voted.

ARGENTINE.

[*Translation.*]

LAW No. 1130, OF NOVEMBER 5TH, 1881.

Article 1.

The monetary unit of the Argentine Republic shall be the gold or silver peso.

The gold peso contains 1 gramme 6,129 ten-thousandths of a gramme of gold, 900/1000ths (nine hundred thousandths) fine.

The silver peso contains 25 grammes of silver, 900/1000ths fine.

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Article 4.

There shall be no limit to the minting of gold coins.

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DECREE OF NOVEMBER 17TH, 1881, REGULATING LAW No. 1130.

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Article 17.

The Mint shall accept for smelting, refining and assay the gold and silver offered to it, provided that the gold is not less than 200 grammes, and the silver 5 kilogrammes in weight and provided they are not of such inferior fineness or so admixed with other metals as to make their treatment by the processes at the Mint's disposal impossible or inconvenient, in which case acceptance shall be refused.

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Article 19.

The Mint shall accept for minting, free of charge, all gold offered to it in stamped bars irrespective of the tolerance.

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LAW No. 1354, OF OCTOBER 19TH, 1883.

Article 1.

Banks of issue, whether State, mixed or private, may only issue notes payable in national gold pesos.

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LAW No. 2216, OF NOVEMBER 3RD, 1887.

Article 1.

Any corporation or company formed for the purpose of carrying on banking operations may open in any city or locality on the territory of the Republic a deposit and discount bank with the right of issuing notes covered by national public funds in accordance with the provisions of this Law.

Article 2.

When the corporation or company is constituted in accordance with the legislation in force and the instrument or contract has been entered at the Registry of the National Court of the Province or the National Territory where the bank is to operate, the legal representative of the corporation or company shall apply to the Ministry of Finance, submitting a certified copy of the instrument or contract, and request permission to open a deposit and discount bank with the right to issue notes.

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Article 10.

Banks operating under the present law :

(1) May increase their own issue with the approval of the Ministry of Finance, provided that the articles of association, statutes, or charter of the said banks so authorise, and subject to depositing with the Inspection Office a proportionate amount of Government securities issued in accordance with the present Law or mentioned in Article 8; banks already in existence, however, which have at the present time inconvertible notes in circulation shall continue to be subject in this respect to the limitation laid down in Article 45;

(2) May also reduce their issue by handing over notes withdrawn from circulation to the Inspection Office.

In such a case, the Inspection Office shall deliver to the company's legal representative a proportional amount of the Government securities belonging to the bank in question and shall destroy the notes in the manner laid down in Article 29.

Article 11.

Banks with a guaranteed note issue must send the Inspection Office a monthly balance-sheet as well as an annual balance-sheet, together with a detailed report on the situation of the bank and its operations.

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Article 13.

Banks may not make advances on their own shares nor purchase them, nor invest their capital in immovable property, except when required for their own use, but they may accept immovable property as security or in repayment of advances previously made.

In the latter case, they must transfer such property within a period of three years.

Article 14.

Banks may not put into circulation notes received by them from the Inspection Office without previously forming a gold reserve fund equal to ten per cent (10%) of the amount of notes received for circulation. After first making allowances for bad and doubtful debts, they

shall annually allocate eight per cent (8%) of their liquid profits to increasing the said reserve fund, which amount shall be converted into gold during the year in which the profits in question are distributed.

The above reserve may be realised and put into circulation by means of legitimate and normal operations, and in accordance with the provisions of the decree issued by the Federal Executive.

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Article 31.

The bank-notes issued in accordance with the present law shall have legal currency throughout the whole Republic, and shall be legal tender at their par value for all debts payable in legal currency; they shall be accepted in payment of all national or provincial taxes.

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LAW No. 2741, OF OCTOBER 7TH, 1890.

Article 1.

A Conversion Office shall be created to arrange for the conversion and gradual redemption of legal currency. The National Office of Guaranteed Banks shall be incorporated in this institution with all the privileges conferred on it by the Law which created it, as well as those granted to it by the present Law.

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Article 4.

All operations connected with the issue, conversion or redemption of legal currency shall be conducted through the Conversion Office in the form and manner laid down by the respective laws.

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LAW No. 3871, OF NOVEMBER 4TH, 1889.

Article 1.

The Government shall convert the whole of the present fiduciary issue of notes which are legal tender into national gold currency at the exchange rate of one peso national currency (legal tender) for forty-four centavos of a peso, national minted gold.

Article 2.

The Federal Executive shall duly fix by decree, three months in advance, at what date, by what method, and in what form effect shall be given to the provisions of the previous article.

Article 3.

The Federal Executive shall form a metallic reserve, to be known as the "Conversion Fund", for the sole purpose of guaranteeing the conversion of the paper currency.

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Article 7.

Pending the promulgation of the decree mentioned in Article 2, fixing at what date and by what method currency which is legal tender is to be converted, the Conversion Office shall issue and deliver on request notes which are legal tender in exchange for minted gold, at the rate of one peso (legal tender) for forty-four centavos of a gold peso, and shall deliver gold received by this means to any person making a request to this effect, in exchange for paper currency at the same rate of exchange.

A special account shall be kept in connection with the Conversion Office for notes issued in accordance with the present article and gold received in exchange.

Article 8.

The gold received by the Conversion Office in exchange for notes may in no case and on no person's order be employed for any other purpose than that of converting notes at the fixed rate, on the personal responsibility of the members of the Conversion Office or the officials effecting the exchange.

Article 9.

Taxes collected by the Government in paper currency which is legal tender, or in minted gold, may be paid either in paper or gold at the rate fixed by this Law.

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LAW No. 11260, OF NOVEMBER 26TH, 1923.

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Article 52.

The Federal Executive is hereby authorised to withdraw gold from the Conversion Fund in exchange for paper, at the rate of 227.27, for the purpose of meeting the Foreign Debt service.

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DECREE OF MAY 12TH, 1925.

Article 1.

The embargo on the exportation of gold coin imposed by Law No. 9488 is hereby abrogated as from June 10th next.

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AUSTRALIA.

ORDER IN COUNCIL AND PROCLAMATION OF OCTOBER 13TH, 1897, ESTABLISHING A BRANCH MINT AT PERTH, WESTERN AUSTRALIA, AS AMENDED BY ORDER IN COUNCIL AND PROCLAMATION OF MARCH 7TH, 1898.

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BY THE QUEEN : A PROCLAMATION.

We do hereby, by and with the advice of our Privy Council, proclaim, direct, and ordain as follows :

1. A branch of Our Mint shall be established at or near Perth in Our Colony of Western Australia on such site as the Governor of the Colony in Council may approve.

2. Gold coins may be coined at the branch Mint so established, and shall be of the same denominations, designs, weights, and fineness, and subject to the allowance of the same remedy as gold coins coined at Our Mint in England.

3. The Master of Our Mint shall prepare and transmit dies for the gold coins to be coined at the branch Mint at Perth.

4. The gold coins coined in pursuance of this proclamation at the branch Mint at Perth shall be deemed to have been issued from Our Mint, and shall be current and a legal tender in like manner and to the like extent as if they had been coined and issued in England.

5. (i) If any person brings to the branch Mint at Perth any gold bullion, the Deputy Master of that branch shall assay, coin, and deliver out the same to such person upon payment for every ounce Troy of gold of standard fineness, of a charge of three-halfpence where the amount brought at one time does not exceed five hundred ounces, and of a penny in any other case, provided that :

(a) Where the gold bullion so brought is such that it cannot be brought to the standard of fineness of the coin to be coined thereout without refining the whole or some portion of it, the Deputy Master shall demand for assaying and refining the same such additional charge as the Governor in Council may from time to time fix, and until such charge is paid to him may refuse to receive, assay, or coin such bullion; and

(b) Where the bullion brought to the branch Mint for coinage is finer than the standard fineness of the coin to be coined thereout, there shall be delivered to the person bringing the same such additional amount of coin as is proportionate to such superior fineness;

(c) No undue preference shall be shown to any person as respects the bullion brought to the branch Mint, and every person shall have priority according to the time at which he brought it;

(d) The Governor of Western Australia in Council may make regulations for carrying into effect the provisions of this Article with respect to gold bullion, and the bringing, coining, and delivery out thereof, and, in particular, for regulating the time and conditions at and under which it is to be so brought, assayed, coined, and delivered out, and the minimum amount which may be so brought.

(ii) The charges under this Article for coining, assaying, and refining shall be collected by the Deputy Master in accordance with the said regulations either as a payment in advance

or as a deduction from the coin delivered out, or otherwise, and shall be accounted for and paid over in such manner as the Governor in Council directs to the Colonial Treasurer of Western Australia to be by him paid into the Consolidated Revenue Fund of the Colony.

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10.¹ This proclamation shall come into force in Our Colony of Western Australia, on the expiration of nine months from the thirteenth day of October one thousand eight hundred and ninety-seven, unless it is sooner promulgated in the Colony, and, in that case, on such promulgation.²

THE MELBOURNE MINT PROCLAMATION, 1900.

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BY THE QUEEN : A PROCLAMATION.

Whereas We, by the Order in Council and Proclamation³ specified in the Schedule to this Proclamation, ordered the establishment of a branch of Our Royal Mint at or near Melbourne, in Victoria, and made regulations respecting the same, and regulated the currency of the gold coins coined thereat;

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We, therefore, in pursuance of the said Act and the last-mentioned Order and Proclamation, and of all other powers enabling Us in that behalf, do hereby, by and with the advice of Our Privy Council, proclaim, direct, and ordain as follows :

1. A branch of Our Mint shall continue to be established at or near Melbourne, in our Colony of Victoria, on its present site, or on such other site as the Governor of the Colony in Council may approve.

2. Gold coins may be coined at the Melbourne Branch Mint so established, and shall be of the same denominations, designs, weights, and fineness, and subject to the allowance of the same remedy as gold coins coined at Our Mint in England.

3. The Master of Our Mint shall prepare and transmit such dies as may be required for the gold coins to be coined at the Melbourne Branch Mint.

4. The gold coins coined in pursuance of this Proclamation at the Melbourne Branch Mint shall be deemed to have been issued from Our Mint, and shall be current and a legal tender in like manner and to the like extent as if they had been coined and issued in England.

5 (*i*). If any person brings to the Melbourne Branch Mint any gold bullion, the Deputy Master of that branch shall assay, coin, and deliver out the same to such person upon payment for every ounce troy of gold of standard fineness of a charge of one penny, provided that :

(*a*) Where the gold bullion so brought is such that it cannot be brought to the standard fineness of the coin to be coined thereout without refining the whole or some portion of it, the Deputy Master shall demand for assaying and refining the same such additional charge as the Governor of Victoria in Council may from time to time fix, and until such charge is paid to him may refuse to receive, assay, or coin such bullion; and

¹ This Article was substituted for Article 10 of the Proclamation of 1897 by the Proclamation of March 7th 1898.

² This Proclamation was promulgated by the Governor of Western Australia, July 8th, 1898.

³ August 7th, 1869.

(b) Where the bullion brought to the branch Mint for coinage is finer than the standard fineness of the coin to be coined thereout, there shall be delivered to the person bringing the same such additional amount of coin as is proportionate to such superior fineness;

(c) No undue preference shall be shown to any person as respects the bullion brought to the branch Mint, and every person shall have priority according to the time at which he brought it;

(d) The Governor of Victoria in Council may make regulations for carrying into effect the provisions of this Article with respect to gold bullion, and the bringing, coining, and delivery out thereof, and, in particular, for regulating the time and conditions at and under which it is to be so brought, assayed, coined, and delivered out, and the minimum amount which may be so brought.

(ii). The charges under this Article for coining, assaying, and refining shall be collected by the Deputy Master in accordance with the said regulations, either as a payment in advance, or as a deduction from the coin delivered out, or otherwise, and shall be accounted for and paid over in such manner as the Governor of Victoria in Council directs to the Colonial Treasurer of Victoria, to be by him paid into the Consolidated Revenue Fund of the Colony.

13. This Proclamation shall come into force on the first day of December, Nineteen hundred, unless it is sooner promulgated, and in that case on such promulgation.

THE COMMONWEALTH BANK ACT, 1911-1927¹.

Article 60H.

1. Australian notes may be issued in any of the following denominations, namely, five shillings, ten shillings, one pound, five pounds, ten pounds or any multiple of ten pounds, and shall :

(a) Be printed and issued by the Board from the Commonwealth Bank;

(b) Be a legal tender throughout the Commonwealth and throughout all territories under the control of the Commonwealth, except in respect of payments due by the Note Issue Department; and

(c) Bear the promise of the Treasurer to redeem the notes in gold coin (or, in the case of a single five shillings Australian note, in silver coin) on demand at the Head Office of the Commonwealth Bank.

Article 60K.

1. The Board shall hold in gold coin and bullion a reserve of an amount not less than one-fourth of the amount of Australian notes issued.

2. In ascertaining the amount of Australian notes issued, the amount of notes which have been redeemed shall not be included.

¹ Act No. 18, 1911, as amended by No. 24, 1914; No. 43, 1920; No. 15, 1924; No. 16, 1925; and No. 36, 1927.

ACT No. 31 OF 1929 (DECEMBER 17TH): (AN ACT TO AMEND
THE COMMONWEALTH BANK ACT, 1911-1927).

Short Title and Citation.

1. (1) This act may be cited as the Commonwealth Bank Act 1929.
- (2) The Commonwealth Bank Act, 1911-1927, is in this Act referred to as the Principal Act.
- (3) The Principal Act, as amended by this Act, may be cited as the Commonwealth Bank Act, 1911-1929.
- (4) After section 7A of the Principal Act, the following sections are inserted :

Returns of Holdings of Gold.

7B. (1) Where the Treasurer (of the Commonwealth) is satisfied that it is expedient for the protection of the currency, or of the public credit of the Commonwealth, to obtain particulars of gold coin and bullion held by persons in Australia, or to require the exchange of any gold so held for Australian notes, he may, by notice in writing, authorise the Board [of Directors of the Commonwealth Bank] :

(a) To require persons to furnish particulars of the gold coin and bullion held by them; and

(b) To require persons to exchange for Australian notes any gold coin or bullion held by them.

(2) The Board may, in pursuance of any authority given under the last preceding subsection, by notice in writing :

(a) Require any person to furnish to the bank particulars in writing of the gold coin and bullion held by that person; and

(b) Require any person to exchange with the Bank for its equivalent in Australian notes any gold coin or bullion held by that person.

(3) For the purposes of this section :

(a) The equivalent of gold coin shall be the nominal value thereof, and of gold bullion shall be three pounds seventeen shillings and ten pence and one halfpenny per ounce of the standard gold content of the bullion; and

(b) "Standard gold" contains eleven-twelfths fine gold.

(4) Any person who refuses or fails to comply with any requirement made under this section shall be guilty of an offence.

Penalty : A fine of one hundred pounds or imprisonment for one year or, in the case of a corporation, a fine of one thousand pounds.

Export of Gold.

7C. (1) Where, after the receipt of a recommendation from the Board, the Governor-General is of opinion that it is expedient so to do, he may, by proclamation, prohibit the export of gold from the Commonwealth, except in accordance with the provisions of the succeeding sub-sections of this section, and thereupon gold shall not, while the proclamation remains in force, be exported from the Commonwealth except in accordance with those provisions.

(2) Any person who desires to export gold from the Commonwealth may apply in writing to the Board for the approval of the Treasurer of the export of the gold.

(8) Where, after the receipt of a recommendation from the Board for such approval, the Treasurer is of opinion that it is expedient so to do, he may, in his absolute discretion, approve of any application under this section.

(4) Any person who exports gold without the approval of the Treasurer shall be guilty of an offence.

Penalty : A fine of one hundred pounds or imprisonment for one year or, in the case of a corporation, a fine of two per centum of the value of the gold in respect of which the offence was committed, but in no case less than one thousand pounds.

Exemptions from Export Provisions.

7D. Nothing in the last preceding section shall prevent any person taking with him out of the Commonwealth gold of a value not exceeding twenty-five pounds.

AUSTRIA.

[*Official translation.*]

STATUTES OF THE NATIONAL BANK.

Article 1.

The Austrian National Bank shall be a joint-stock company established for the purpose of regulating the circulation of money within the territory of the Republic of Austria, of facilitating compensation of payments and providing for the utilisation of available capital within the limits of these Statutes of Association. Its main function, however, will be to prepare the introduction of cash payments (redemption of bank-notes in specie) by forming a reserve of precious metals and deposits payable in stable currencies (bills of exchange) and to ensure the continuance of cash payments once they have been introduced by law.

The Bank shall use all the means at its disposal to ensure that, until the redemption of paper money (bank-notes) in specie has been regulated by law, the value of its notes when expressed in the currency of a country having a gold standard or a stable currency shall at least not depreciate.

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Article 80.

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After payment in coin has been decided upon (Article 83), the text printed on the bank-notes must contain a statement to the effect that the Bank will pay at any time the bearer of the notes in coin of legal currency.

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Article 83.

The Bank shall provide for the accumulation of a metal reserve to such an amount that, as soon as a new legal relation of the currency unit to the currency metal will have been fixed, and the Federal Debt to the Bank will have been reduced to 30 millions of gold kronen (Article 53), cash payments can be commenced with.

If the Federal Government or the Board of Directors of the Bank consider the moment for beginning with cash payments to have come, an agreement must be sought between the Government and the Board of Directors.

If the Government and the Board of Directors have come to an agreement, the Government must propose the adoption of cash payments in Parliament as soon as possible.

Until the adoption of cash payments, as described in the foregoing paragraphs, the Bank is not obliged to redeem its notes in specie.

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Article 85.

From the time when the share capital is fully paid up until the adoption of cash payments, the following provisions are to be in force as regards the cover of the banknotes :

The total of the note-issue and immediate liabilities, after deduction of the Federal Loan Debt (Article 53), shall be covered by the cash reserve to the extent of 20 % for the first five

years, 24 % for the following five years, 28 % for a further five years and $33\frac{1}{3}$ % for the rest of the period; foreign currency (Valuten) and foreign values (Devisen) may be included in the cash reserve.

In order to ascertain the proportion of cover, until the legal relation of currency has been fixed, the value of these holdings shall be calculated at the end of each year for the following calendar year on the basis of the average rate of exchange on the Vienna Stock Exchange during the previous half-year. In this connection shall be understood :

By foreign currency (Valuten) : foreign notes which have not undergone any violent fluctuations of exchange.

By foreign values (Devisen) : bills of exchange made out in currencies not having undergone any violent fluctuations of exchange, which are payable at leading banking centres in Europe or America, and are vouched for by banking institutions of unquestioned solvency, and in every other respect fulfil the conditions of Article 58.

Credit balances and cash deposits may also be regarded as foreign values (Devisen) if they are available at any time and held at leading banking centres in Europe or America at institutions of unquestioned solvency.

Until cash payments are adopted, an amount of 25 million gold Kronen in credits and deposits of the kind specified above shall be held at the chief banking centres of Europe and America. This amount may only be reduced by a decision of the Board of Directors which has been agreed to by not less than eight members of the Board and the Chairman.

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Article 87.

After the adoption of cash payments, the total note-issue, as well as all immediate liabilities, shall be covered to the extent of at least one-third by the cash reserves specified in Article 85. The assets referred to in Article 86 and the advance by the Bank to the Federation (Article 58), based on the transfer of the State Treasury Bills from the Austrian Management of the Austro-Hungarian Bank, shall serve as cover for the remainder of the bank-note circulation.

Article 88.

If in the period between the paying up in full of the share capital and the adoption of cash payments the amount of notes issued, together with all immediate liabilities, should, after deduction of the Federal Loan Debt, exceed the maximum ratio between the note-issue and the cover stipulated in Article 85, a note-tax on the excess shall be paid to the Federation.

The taxation rate shall be the current discount rate, plus the following increases :

- (a) 1 % if the proportion of cover (Article 85) amounts to less than 20 % (or 24, 28 or $33\frac{1}{3}$ % respectively) but to more than 18 % (or 22, $25\frac{1}{2}$ or 30 % respectively), and
- (b) A further $1\frac{1}{3}$ % for every further 2 % or fraction of 2 % by which the proportion of cover falls below 18 % (or 22, $25\frac{1}{2}$ or 30 % respectively).

The taxation rate must, however, be at least 5 %.

Article 89.

After the resumption of cash payments, the Bank shall pay a note-tax as soon as the proportion of cover (Article 87) falls below 40 %.

The taxation rate shall be the current discount rate, plus the following increases :

- (a) 1 % if the proportion of cover (Article 87) is less than 40 % but more than $33\frac{1}{3}$ %;
- (b) A further $1\frac{1}{3}$ % for every further 3 %, or fraction thereof, by which the proportion of cover falls below $33\frac{1}{3}$ %.

The note-tax must, however, be at the rate of at least 5 %.

Article 90.

For the purpose of determining the note-tax to be paid, the Administration of the Bank shall determine the amount liable to taxation, under the foregoing provisions, on the 7th, 15th, 23rd and the last day of each month, and shall communicate to the Finance Administration at the end of each month the amounts calculated for each of the respective periods.

The note-tax to be paid by the Bank on the basis of these figures will be determined as follows : The amount due for tax in respect of the excess note-issue for each of the periods shall be calculated as for a year at the rates of taxation applicable to each period, and then divided by 48. The tax to be paid by the Bank shall be the total of the amounts thus ascertained as due for the several periods.

The note-tax shall be credited to the Federal Administration every month and shall be applied to the reduction of the Federal Loan Debt (Article 53).

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Article 92.

After a legal relation of currency has been established in accordance with Article 88, the Bank shall, at its Head Office in Vienna, be obliged at any time on demand to accept currency metal in bullion at the legal minting parity in exchange for bank-notes.

The Bank shall be entitled to have the accepted bullion assayed and refined at the expense of the seller by technical experts, nominated by the Bank, and to deduct the minting and other fees fixed and published by the Government.

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[*Translation.*]

FEDERAL LAW OF DECEMBER 20TH, 1924.

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Article 11.

(1) The Mint is required to coin gold money of the Confederation for the account of private persons who make a demand to that effect and supply the necessary gold.

(2) The fees to be collected for minting done for the account of private persons will be fixed by decree; it must not exceed 0.8 per cent *ad valorem*.

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DECREE OF OCTOBER 15TH, 1929, OF THE FEDERAL MINISTER OF FINANCE,
CONCERNING THE MINTING OF FEDERAL GOLD COIN.

(*Bundesgesetzblatt* 1929, Part 82, No. 346.)

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In virtue of the Federal Law of December 20th, 1924, *Bundesgesetzblatt* No. 461, it is decreed as follows :

In the Decree of the Federal Minister of Finance dated July 17th, 1926, *Bundesgesetzblatt* No. 185, the paragraph "D. Fees" shall read as follows :

D. Fees.

The following fees shall be charged for minting Federal gold coins :

(a) Assay fee (*Probegebühr*).—An assay fee of 2S. 40g. shall be charged for each ingot and for each amount of gold, in coin or other form presented. Should, in accordance with Section A, paragraph 5, a second test of the standard of fineness have been made by the Central Mint (*Hauptmünzamt*), or a final assay undertaken by the Central Hall Marks and Assay Department (*Hauptpunzierungs- und Probieramt*), the assay fee shall only be levied for such assay tests if the result of the last assay coincides with that obtained by the Central Mint at the first test for standard of fineness;

(b) Refining fee (*Scheidegebühr*)—amounts to 21S. per kilogramme of unrefined metal, and must be paid :

- (1) On gold which is less than 898/1000 fine;
- (2) On gold which cannot immediately be used for the minting of Federal gold coin, even though its fineness amounts to or exceeds 898/1000;
- (3) On gold containing silver or other precious metals for which compensation is claimed.

(c) Smelting fee (*Schmelzgebühr*)—amounts to 80g. per kilogramme of unrefined metal, and is only chargeable if the gold delivered is smelted or re-smelted.

(d) Minting fee (*Prägegebühr*)—for the minting of Federal gold coins of 25S., amounts to 8S. 20g. per kilogramme of fine gold for the Austrian National Bank, and to 14S. 17g. for other parties. For the minting of Federal gold coins of 100S., a minting fee of 14S.17g. per kilogramme of fine gold will be charged in every case.

BELGIAN CONGO.

[*Translation.*]

CONVENTION CONCERNING THE ISSUE OF BANK-NOTES ¹ BETWEEN THE BELGIAN CONGO AND THE TERRITORIES UNDER BELGIAN MANDATE, AND THE BANK OF THE BELGIAN CONGO.

Article 1.

The Bank is empowered, subject to the conditions laid down in the present Convention, to issue in the Colony notes payable to bearer at sight.

No other shareholders' bank of issue may be established except under the form of a joint-stock company and by virtue of a decree.

Article 2.

This authorisation is granted until June 30th, 1952. The Bank may propose its renewal; it shall submit its request at least two years before the expiration of this period. A decision shall be given on this request before December 31st, 1951.

Article 3.

The Bank has the power to establish branches at any place in the Colony. It may also establish branches at other places approved by the Minister of the Colonies.

The Minister of the Colonies may, after hearing the Board of Directors of the Bank, decide to establish a branch at any place in the Colony where he thinks it necessary.

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Article 6.

The notes are payable at sight in the Colony, on the basis of 0.0418422 gramme of fine gold for one franc, without regard to the place of issue, at all the branches of the Bank.

Payments are effected at the option of the Bank in gold, in money having legal currency in the colony, or in cheques drawn on Belgian or foreign centres selected by the Minister of the Colonies in agreement with the Bank. In the absence of authorisation given by decree, these payments shall be calculated at the par rate mentioned above, reduced, if necessary by a percentage for the cost of remitting.

Payment may, however, be made at branches other than those situated at the seat of the Central Government or at the seats of the Provincial Governments by a cheque drawn on one of these places, at the option of the bearer, without the Bank being able to charge a commission in respect thereof.

Again, the Bank shall issue cheques at Brussels on its branches established at the seat of the Central Government or at the seats of the Provincial Governments, against payments made in gold, in its own notes, in Belgian money or in foreign currencies. In the absence of authorisation given by decree, these payments shall be calculated at the par rate mentioned above, increased, if necessary, by a percentage for the cost of remitting.

¹ Signed on October 10th, 1927, approved by Royal Decree of November 14th, 1927.

The cost of remitting provided for in the second and fourth paragraphs above shall be laid down in rules drawn up by the Bank and approved by the Minister of the Colonies.

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Article 8.

The Bank is required to hold a reserve in gold or in gold currency equal to at least 40% of the amount of its notes in circulation, with a minimum of 20% in gold.

The excess of the amount of notes in circulation and other obligations at sight shall be covered to its full value by easily realisable securities.

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BELGIUM.

[*Translation.*]

ROYAL DECREE OF OCTOBER 25TH, 1926, RELATING TO MONETARY STABILISATION.

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Article 5.

The Bank is required to keep a reserve of gold and foreign gold exchanges equal to at least 40 % of its total sight liabilities, of which at least 80 % must consist of gold.

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Article 8.

The exchange rate of the Belgian franc on foreign countries shall be established in multiples of five francs. The National Bank shall adopt the same multiple as a basis for its cash payments (redemption of banknotes in specie), which shall be effected at sight in gold, in silver at its value in gold, or in foreign gold exchanges at the option of the Bank. This multiple alone shall be quoted for purposes of exchange and shall, for these purposes, bear the name of "Belga".

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ROYAL DECREE OF OCTOBER 25TH, 1926, PROLONGING THE CHARTER OF THE NATIONAL BANK.

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Article 7.

The Bank shall issue bearer notes. The amount of the notes in circulation shall be covered by easily negotiable securities.

The Bank is required to keep a reserve of gold or foreign exchanges convertible into gold equal to at least 40 % of its total sight liabilities, of which at least 80 % must consist of gold.

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Article 10.

The notes shall be payable at sight at the Bank's offices at Brussels, under the terms of the Royal Decree relating to monetary stabilisation, issued under the Law of July 16th, 1926.

The notes shall be payable at sight at the Bank's provincial agencies. Nevertheless, such payment may be deferred until the agencies have been able to obtain the necessary funds.

The Government shall be empowered to accept them as payment in the Treasury Departments.

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STATUTES OF THE NATIONAL BANK OF BELGIUM.

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Article 26.

The notes shall be payable at sight at the Bank's offices at Brussels under the terms of the Royal Decree of October 25th, 1926, relating to monetary stabilisation.

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Article 30.

The Bank is required to keep a reserve of gold or foreign exchanges convertible into gold equal to at least 40 % of its total sight liabilities, of which at least 80 % must consist of gold.

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BOLIVIA.

[*Translation.*]

LAW OF JULY 20TH, 1928, ON THE RE-ORGANISATION OF THE CENTRAL BANK OF BOLIVIA.

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Article 59.

The Central Bank of Bolivia (*Banco Central de Bolivia*) is accorded the exclusive right to issue notes during the fifty years of its existence, and, during that period, neither the National Government nor any of its political sub-divisions, nor any other bank or other corporation, undertaking, person, or any other organisation, shall issue paper currency or any other paper of any kind whatever for circulation as currency in Bolivia. Nevertheless, this concession shall be subject to the rights conferred on certain other banks in the Republic by Article 20 of the Law of November 23rd, 1914, the article in question being incorporated in the present law.

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Article 64.

The notes of the Central Bank of Bolivia shall be payable to the bearer at sight during the Bank's office hours, and payment shall be made in any of the following forms at the option of the Bank : (a) In Bolivian gold coin at par, in British or Peruvian gold coin of the present weight and fineness at the rate of 13.33 bolivianos to the pound, and in gold coin of the United States of America of the present weight and fineness at the rate of 2.739 bolivianos to the dollar; (b) in gold bars of approximately 100 % fineness and not less than 500 grammes in weight, at the rate of 1.8211 bolivianos to the gramme of fine gold; (c) in demand drafts or three-days'-sight drafts on London or New York, payable in gold and drawn on funds deposited in banks of high standing in those cities. On such drafts, the Bank may charge a premium above the parity of the gold boliviano as compared with the pound sterling and with the dollar of the United States of America respectively, but this premium shall not exceed the sum necessary to cover the total cost of shipping gold coin in bulk from La Paz to London or New York as the case may be. The said maximum premium shall be fixed by the Board of Directors of the Bank with the affirmative vote of at least six members, and with the approval of the Ministry of Finance, and shall be publicly announced.

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Article 66.

To avoid appreciation of the boliviano above the gold value stipulated in Article 61 of the present law and in the Currency Law, *i.e.*, 0.54917 gramme of fine gold, the Central Bank of Bolivia shall pay out its own notes at sight at its head office in La Paz in exchange : (a) For Bolivian gold coin at par, for British and Peruvian gold coin of the present weight and fineness at the rate of 13.33 bolivianos to the pound, and for gold coin of the United States of America of the present weight and fineness at 2.739 bolivianos to the dollar; (b) for deposits credited to the account of the Central Bank of Bolivia, payable at sight in gold at the rate of 13.33 bolivianos to the pound sterling of the present weight and standard in London, and at the rate of 2.739 bolivianos to the dollar in New York, provided the said deposits represent sums of not less than £30 or \$150, as the case may be, held in banks in London or New York in which the Central

Bank of Bolivia keeps its legal reserve deposit accounts. When paying out notes in Bolivia against gold deposits abroad, the Bank shall be entitled to charge a premium above the gold parity of the boliviano as compared with the pound and the dollar respectively, but this premium shall not exceed the sum necessary to cover the total cost of shipping gold coin in bulk from London or New York to La Paz. The said maximum premium shall be fixed by the Board of Directors of the Bank with the affirmative vote of at least six members, and with the approval of the Minister of Finance, and shall be publicly announced.

Article 67.

Should the Bank fail to redeem its notes at sight in the form stipulated in Articles 64 and 65 of the present Law, its notes shall cease to be legal tender to an unlimited amount, and it shall be declared "Bankrupt through Suspension of Gold Payments", and shall be immediately put into liquidation by the Superintendent of Banks in conformity with the law.

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Article 71.

The Central Bank of Bolivia shall maintain a normal legal minimum reserve in metal equivalent to 50 per cent of its notes in circulation, that is, notes beyond its control, and deposits combined.

Article 72.

The normal legal minimum reserve mentioned above shall consist of : (1) Bolivian gold coin at par, British, Peruvian and United States gold coin valued at their legal gold parity as compared with the boliviano, other gold coin and gold in bars in the vaults of the Bank, valued according to their content of fine gold; (2) gold coin and bars deposited in banks of high standing in London or New York, valued as prescribed under (1); (3) deposits payable in gold on demand or at three days' sight in banks of high standing in London or New York, valued at their legal gold parity as compared with the boliviano; (4) Bolivian silver coin in the vaults of the Bank.

The reserve may be distributed among the forms mentioned in the proportions deemed suitable by the Board of Directors, subject to the condition that the amount in silver coin considered as part of the reserve shall not at any time exceed 10 per cent of the notes in circulation and deposits combined.

Article 73.

When the metallic reserve on the Bank constituted as prescribed in Article 72 of the present law falls below the normal legal minimum of 50 per cent, the Bank shall be subject to the following penalties, which shall be imposed by the Superintendent of Banks and shall be paid to the Government : If the reserve falls below 50 per cent, but not below 45 per cent, the tax to be paid shall be equivalent to 2½ per cent per annum on the deficit; if below 45 per cent, but not below 40 per cent, the tax shall be 5 per cent per annum on the deficit below 50 per cent; if below 40 per cent, but not below 35 per cent, the tax shall be 10 per cent per annum on the total deficit below 50 per cent; if below 35 per cent, the tax shall be 15 per cent per annum on the total deficit below 50 per cent plus an additional tax of 1½ per cent per annum for each 1 per cent or portion thereof by which the percentage of the reserve falls below 35 per cent.

Article 74.

The discount rate of the Central Bank of Bolivia shall not be less than 7 per cent per annum when the Bank's reserve has been continuously for a week or more below the normal legal minimum of 50 per cent of the notes of the Bank in circulation and its deposits combined.

Article 75.

Whenever a tax on account of a deficit in the reserve has to be paid by the Bank in conformity with Article 73 of the present law, a percentage equivalent to at least half the percentage or percentages of the tax imposed on account of the deficiency in the reserve shall be added to the Bank's discount rate, together with whatever increase in the said rate is necessary to raise it to 7 per cent per annum in accordance with the provisions of the preceding article.

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LAW OF JULY 11TH, 1928, ON MONETARY REFORM.

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Article 5, Second Paragraph (as amended).

Gold shall be minted solely on behalf of the Government and the Central Bank of Bolivia. The National Mint at Potosi shall make the necessary arrangements for minting gold, and the Central Bank of Bolivia shall buy gold bars offered to it, provided they weigh at least 500 grammes, and shall pay for them at the rate of 1,820.94 bolivianos per kilogramme of pure gold with deduction for the cost of refining.

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Article 18.

All taxes of every description and all prohibitions and restrictions on the export and import of gold coin and bars and on the export of silver coin are abrogated.

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BRAZIL.

[*Translation.*]

DECREE No. 5108 OF DECEMBER 18TH, 1926, CONCERNING THE REFORM OF THE CURRENCY AND THE APPLICATION OF ECONOMIC AND FINANCIAL MEASURES.

The President of the Republic of the United States of Brazil declares that he has sanctioned the following resolution voted by the National Congress :

Article 1.

Brazil adopts as the currency standard gold, weighed in grammes, minted in coin, with a fineness of 900 thousandths of fine metal, and 100 thousandths of suitable alloy.

§ 1. The unit of currency shall be the *cruzeiro*, divided into centimes.

§ 2. For fractional currency, silver, nickel and copper shall be adopted in the proportion fixed for each of them.

Article 2.

All the paper money at present in circulation, 2,569,304 *contos*¹, 350 *milreis*², 500 *reis*³, shall be converted into gold on the basis of 0.200 gramme (two hundred milligrammes) per *milreis*.

Article 3.

Upon six months' notice, a decree of the Executive shall fix the exact date and the methods of the conversion laid down in Article 2.

Article 4.

The financial resources required for the conversion referred to in the present law shall be furnished as follows :

§ 1. By the supplies of gold already recovered and deposited in conformity with the laws in force and by those set aside for the re-purchase, security and conversion of the paper currency.

§ 2. By the supplies of gold recoverable under these laws.

§ 3. By the budget surpluses after their final conversion into gold.

§ 4. By the yield of the credit transactions intended for this purpose.

§ 5. By all other receipts earmarked for this particular purpose, such as the profits on banking transactions, as laid down in Clause III of the Contract of April 24th, 1923, approved by Law No. 4635A of January 8th, 1924, all of which receipts will be included in the new Convention authorised by the present decree.

Article 5.

Until the decree referred to in Article 3 is promulgated, notes shall be exchanged into gold and gold into notes, at the rate indicated in Article 2, by the Stabilisation Office created exclusively for this purpose by the present decree.

§ 1. After the reform of the Bank of Brazil in accordance with the present law, a Stabilisation Office may be attached to it under this or any other name.

¹ A *conto* equals a thousand *milreis*.

² A *milreis* equals a thousand *reis*.

³ A *reis* equals 11.96 cents (gold parity).

Article 6.

The gold received shall be kept on deposit with the Stabilisation Office, or with its London and New York agencies. In no case and by no orders may this gold be used for other purposes than the conversion of notes issued under the personal responsibility of the members of the Office and guaranteed by the National Treasury. Notes exchanged shall have legal currency.

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Article 8.

The Executive is authorised to buy and sell foreign currency and bills of exchange at the rate laid down in Article 2. In order to effect these transactions, which may not be carried out by the Stabilisation Office, the Executive, after concluding a new convention with the Bank of Brazil, may use the gold reserve guaranteeing the present issue of bank-notes, for which the Government assumes responsibility.

Article 9.

Once the convertibility referred to in Article 3 of the present law is assured, the Executive shall publish a decree ordering the minting of gold, silver, nickel and copper coins in decimal units, in conformity with the provisions of the present law as regards the weight, value, design and fineness of these coins.

Article 10.

Import duties payable in gold and paper money shall continue to be collected in such a way as to maintain the existing proportion between them.

§ 1. The same proportion shall be preserved in the case of payments in gold.

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DECREE No. 17618 OF JANUARY 5TH, 1927 : REGULATIONS PUTTING INTO
EXECUTION LAW No. 5108 OF DECEMBER 18TH, 1926.

The President of the Republic of the United States of Brazil, in virtue of the power conferred upon him by Article 5 of Law No. 5108 of December 18th, 1926 :

Decides, with a view to applying the provisions of the said law concerning the Stabilisation Office, to put into force the regulations established by the present Decree and signed by the Minister of Finance.

REGULATIONS GOVERNING THE STABILISATION OFFICE
REFERRED TO IN DECREE No. 17618 OF JANUARY 5TH, 1927.

Article 1.

(Similar to Article 1 of Decree No. 5108 of December 18th, 1926.)

Article 2.

(Similar to Article 2 of Decree No. 5108 of December 18th, 1926.)

Article 3.

(Similar to Article 3 of Decree No. 5108 of December 18th, 1926.)

Article 4.

(Similar to Article 5 of Decree No. 5108 of December 18th, 1926.)

Article 5.

The Stabilisation Office, created by Law No. 5108 of December 18th, 1926, is exclusively intended to receive gold bullion and national or foreign gold coin, and to hand over to the bearer in exchange notes representing a value exactly equal to that of the gold received, as laid down in Articles 1 and 2 of the present Regulations.

§ 1. Bullion shall be accepted by the Stabilisation Office after being duly assayed at the Mint.

§ 2. Gold, in the form of coins, shall be assayed at the Mint whenever it is deemed necessary.

Article 6.

The gold received shall be kept on deposit with the Stabilisation Office or with its London and New York agencies. In no case and by no orders may this gold be used for any other purpose than the conversion of notes issued, under the personal responsibility of the members of the Office and with the guarantee of the National Treasury. (Article 6 of Law No. 5108.)

§ 1. In times of emergency, with the approval and at the express orders of the Executive, gold may be delivered to and deposited with the London and New York agencies which shall issue a certificate of delivery and deposit mentioning the exact amount of gold received and its fineness.

§ 2. On presentation of this certificate the Stabilisation Office shall issue notes in exchange, as laid down in the present Regulations.

§ 3. When the emergency mentioned in paragraph 1 of the present Article has passed, the gold shall be returned to the Stabilisation Office.

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Article 9.

The notes issued by the Stabilisation Office shall be legal tender throughout the whole of Brazil and shall therefore be valid for all contracts and payments. (Article 6 of Law No. 5108.)

Article 10.

The said notes shall be convertible into gold at the rate laid down in the present decree, without any limit as to time or amount, and shall be payable to bearer on his applying to the Stabilisation Office at Rio de Janeiro.

§ 1. At the request of the bearer of the notes and with the Government's approval, the Office may deliver gold in London or New York in exchange for notes received at Rio de Janeiro. For this purpose, the Office shall make out to the bearer of the notes a written authorisation on presentation of which the London and New York agencies shall hand over at sight the amount of gold corresponding to the notes received by the Office at Rio de Janeiro. This authorisation shall mention the total value of the notes received and the exact amount of gold which must be handed over by the branches; this amount may be transferred by endorsement.

Article 11.

(Similar to Article 4 of Decree No. 5108 of December 18th, 1926.)

Article 12.

The financial resources in gold referred to in Article 11 shall be paid to the Stabilisation Office and the sums in paper shall be similarly paid after having been liquidated and finally converted into gold.

Article 13.

The Stabilisation Office shall issue notes only in exchange for gold, on the basis of the value, weight and fineness fixed by Law No. 5108.

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BRITISH EAST AFRICA.
(Kenya Colony and Protectorate, Uganda Protectorate,
Tanganyika Territory.)

REGULATIONS OF DECEMBER 11TH, 1924, DEFINING THE
CONSTITUTION, DUTIES AND POWERS OF THE EAST
AFRICAN CURRENCY BOARD.

Article 1.

The East African Currency Board will provide for and control the supply of currency to the Kenya Colony and Protectorate, the Uganda Protectorate, the Tanganyika Territory, and any other Dependencies in East Africa which may be added by the Secretary of State, to ensure that the currency is maintained in satisfactory condition, and generally to watch over the interests of the said Dependencies so far as currency is concerned.

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Article 7.

The Board may charge for coin or currency notes to be delivered in East Africa against prepayment in London such premium above the nominal value (at the rate of twenty shillings to the pound), not exceeding the cost of transporting specie (packing, carriage, insurance), as they may think fit, and may vary the charge from time to time within this limit. If coin or notes are delivered on telegraphic order to East Africa, the Board may increase the premium as they think fit.

Article 8.

The Board will, when required, arrange for the issue against silver or notes tendered in East Africa of drafts payable in sterling in London at a charge not exceeding the cost of transporting specie from East Africa to London, and may at their discretion issue telegraphic transfers on London on such terms as they may think fit.

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Article 13.

Proceeds of the sale of coin and currency notes and all other revenue of the Board shall, after the necessary deductions have been made for all expenses and for any contributions made to the revenue of the East African Governments under Section 19 of these regulations, be credited to a fund hereinafter referred to as the Currency Reserve Fund. Any losses which may be incurred will be debited to the fund.

Article 14.

Subject to the provisions of paragraph 19 of these regulations, the Board may invest their funds in securities of the Government of any part of His Majesty's dominions, or in such other manner as the Secretary of State may approve. The extent to which investments may be made will be left to the discretion of the Board, whose duty it will be to hold, subject to any directions which may be received from the Secretary of State, a proportion of their reserve in a liquid form.

Article 15.

The Board shall submit half-yearly to the Secretary of State a statement of the position of the Currency Reserve Fund on the last day of the half-year, including a statement of securities.

Article 16.

The Board shall cause to be published half-yearly in the *Kenya Government Gazette* an abstract showing (a) the whole amount of the East African coinage and currency notes in circulation on the last day of the half-year; (b) the total amount of the Currency Reserve Fund on the said day; (c) the nominal value of, the price paid for, and the latest known market price of the securities forming the investment portion of the Reserve Fund.

Article 17.

The accounts of all the transactions of the Board will be audited by the Colonial Audit Department.

Article 18.

The Board will submit annually for the approval of the Secretary of State a statement of their transactions during the preceding year.

Article 19.

When the Board are satisfied that their reserves are more than sufficient for all the purposes for which such reserves may be required, they may, with the approval of the Secretary of State, pay over the whole or any part of the surplus amount in aid of the revenues of the Dependencies in East Africa in such proportions as may be hereafter determined.

BRITISH GUIANA.

ORDINANCE No. 16, OF 1915.

Article 1.

This Ordinance may be cited as the Government Currency Note Ordinance, 1915.

Article 2.

In this Ordinance the expression “coin” or “current coin” means coin which, for the time being, is legal tender in the Colony.

Article 3.

1. A Board of Commissioners of Currency (in this Ordinance referred to as “the Commissioners”) shall be established for the purpose of this Ordinance, and shall consist of the persons for the time being lawfully discharging the duties of Government Secretary and Colonial Treasurer of this Colony, and one other officer of the Colony nominated by the Governor.

2. The Commissioners shall have an office in Georgetown and may employ such agents, officers and persons as may be from time to time authorised by the Governor.

3. Any act of the Commissioners may be signified in writing under the hands of the Commissioners.

Article 4.

1. Subject to the provisions of this Ordinance, the Commissioners may from time to time provide and issue and re-issue in exchange, either for current gold or silver coin or for notes previously issued under this Ordinance, notes herein referred to as “currency notes”.

2. A currency note shall be a promise on the part of the Government of this Colony to pay to the bearer on demand the amount named therein, and the amount required for such payment shall be a charge on the moneys and securities in the hands of the Commissioners under this Ordinance and on the general revenue of the Colony, and if a sum is required to meet any such note, and if the said moneys and any moneys voted by the Combined Court for that purpose are insufficient to meet it, the sum shall forthwith, on the demand of the Commissioners, be issued as an advance under the order of the Governor out of the general revenue in priority to all other charges except those charged thereon by any Ordinance passed before the commencement hereof and for the time being payable, pending the next meeting of the Combined Court.

3. The holder of a currency note shall be entitled to obtain on demand during office hours, at the office of the Commissioners, payment in current coin (either gold or silver at the option of the Commissioners) of the amount expressed in the note.

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Article 7.

1. Subject as hereinafter mentioned, the coin received in exchange for currency notes shall form the Note Guarantee Fund, and be held in the Colony by the Commissioners for meeting the payment of the notes, and shall not be applied for any other purpose.

2. Of the Note Guarantee Fund, a portion (in this Ordinance referred to as the coin portion of the fund), not being less than the fixed proportion hereinafter mentioned, shall be in coin and shall be kept in the custody of the Commissioners, but the balance may be invested as hereinafter mentioned, and the proportion so invested is in this Ordinance referred to as the investment portion of the fund.

8. The coin portion of the fund shall not be less than the fixed proportion hereinafter specified of the notes for the time being in circulation, and if necessary the securities forming the investment portion of the fund shall be sold so as to prevent the coin portion falling below the fixed proportion.

Provided that, if the deficiency of the coin portion below the fixed proportion does not exceed one-fourth of that proportion, the sale of securities may, with the consent of the Governor, be temporarily postponed for a period not exceeding three months, but, until the coin portion amounts to that fixed proportion, no further investment of securities shall be made, and the whole income of the investment portion of the fund shall be carried to and form part of the coin portion of the fund.

4. The fixed proportion shall, in the first instance, be one half, but if the Governor satisfies the Secretary of State that, having regard to the amount of notes which are always outstanding, the fixed proportion may be diminished without danger to the convertibility of the currency notes, and obtains the authority of the Secretary of State for the purpose, he may by proclamation fix another proportion.

5. Any such proclamation may be revoked, without prejudice to the issue of a new proclamation.

Article 8.

1. The investment portion of the Note Guarantee Fund may be invested in such securities of the Government of any part of His Majesty's Dominions or in such other securities as the Secretary of State may approve, but any sum invested in securities of the Government of British Guiana shall not exceed one-fifth of the total amount invested hereunder.

2. The investments shall be made in the names of such officers or persons as the Secretary of State may direct, and the investments shall be from time to time varied and the securities sold in accordance with regulations approved by him.

3. The securities shall be applicable for the payment of currency notes and for no other purpose.

4. The income derived from the securities shall be applied :

(a) In paying the expenses of and incidental to the execution of this Ordinance, and

(b) In the payment of a sum equal to one per cent of the cost price of the securities to a Depreciation Fund, and

(c) Subject to the other provisions of this Ordinance, as part of the ordinary revenue of this Colony.

Article 9.

1. A separate account shall be kept of the Depreciation Fund, and the income of the fund shall be invested by way of accumulation so as to form part of the fund, and the said fund shall be applied from time to time as the Commissioners may direct to meet any losses by any depreciation of the investments of the Note Guarantee Fund, but, save as aforesaid or as is otherwise expressly provided by this Ordinance, the Depreciation Fund shall form part of the investment portion of the Note Guarantee Fund, and the provisions of this Ordinance shall apply thereto accordingly.

2. When the Governor satisfies the Secretary of State that the Depreciation Fund is not less than ten per cent of the invested portion of the Note Guarantee Fund and is of such an amount that it is unnecessary further to increase the Depreciation Fund, he may order the annual appropriation of the said one per cent to be discontinued and the annual income of the Depreciation Fund to be applied in aid of the general revenue of the Colony, and may order the same for such temporary period and either in whole or in part, as is specified in the order.

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BRITISH WEST AFRICA.
(Nigeria, The Gold Coast, Sierra Leone, Gambia.)

**REVISED REGULATIONS DEFINING THE CONSTITUTION, DUTIES AND
POWERS OF THE WEST AFRICAN CURRENCY BOARD (JULY 11TH, 1924).**

Article 1.

The West African Currency Board has been constituted to provide for and to control the supply of currency to the British West African Colonies and Protectorates, to ensure that the currency is maintained in satisfactory condition and generally to watch over the interest of the Dependencies in question so far as currency is concerned.

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Article 12.

The Board may charge for coin or notes to be delivered in West Africa against prepayment in London such premium above the nominal value not exceeding the actual cost of transporting specie (package, carriage, insurance) as it may think fit, and within this limit, may vary the charge from time to time. If coin or notes are delivered on telegraphic order to West Africa, the Board may increase the premium as it sees fit. In West Africa, coin or notes given by the Board in exchange for United Kingdom gold coin presented there, will be issued at par.

Article 13.

The Board will, when required, arrange for the issue, against coin (except subsidiary coin) or notes tendered in West Africa, of drafts payable in London at a charge, if any, not exceeding the cost of transporting specie from West Africa to London, and may at its discretion issue telegraphic transfers on London on such terms as it may think fit.

Article 14.

Proceeds of the sale of coin and currency notes and all other revenue of the Board shall, after the necessary deductions have been made for all expenses and for any contributions made to the revenues of the West African Governments under section 20 of these Regulations, be credited to a fund hereinafter referred to as the Currency Reserve Fund. Any losses which may be incurred will be debited to the Fund.

Article 15.

The Board may invest its funds in securities of the Government of any part of His Majesty's Dominions, or in such other manner as the Secretary of State may approve. The extent to which investments may be made will be left to the discretion of the Board, whose duty it will be to hold, subject to any directions which may be received from the Secretary of State, a proportion of its reserve in a liquid form.

Article 16.

The Board shall submit half-yearly to the Secretary of State, a statement of the position of the Currency Reserve Fund on the last days of June and December in each year, including a statement of securities.

Article 17.

The Board shall cause to be made up half-yearly and published in the Government *Gazette* of the Colony in which the redemption centre is situated, an abstract showing : (a) the whole amount of the West African coinage and note circulations on the last days of June and December in each year, (b) the total amount of the Currency Reserve Fund on the said days, (c) the nominal value of, price paid for, and latest known market price of, the securities forming the investment portion of the Reserve Fund.

Article 18.

The accounts of all the transactions of the Board will be audited by the Colonial Audit Department.

Article 19.

The Board will submit annually, for the approval of the Secretary of State, a statement of its transactions during the preceding year.

Article 20.

The Board may, with the approval of the Secretary of State, pay any sum which it thinks proper out of the income from its invested funds by way of contribution to the revenues of the West African Governments.

Article 21.

When the Board is satisfied, and shall have satisfied the Secretary of State, that its reserves are more than sufficient to ensure the convertibility of the coin and the note issue, and to provide a reasonable reserve against possible depreciation, the Board may pay over the whole or part of the surplus amount in aid of the revenues of the West African Governments, in such proportions as may be hereafter determined.

BULGARIA.

[*Official Translation.*]

LAW OF NOVEMBER 13TH, 1926, AND SEPTEMBER 27TH, 1928, ON THE NATIONAL BANK OF BULGARIA.

Article 3.

To ensure the convertibility of its notes :

1. The Bank, on the requisition of any person who makes a demand or offer to that effect at the head office of the Bank in Sofia, shall be bound to sell to, or to purchase from, such person in exchange for legal-tender currency of Bulgaria, at the rates defined in Sections 2 and 3 of this article respectively, the legal-tender currency of such foreign gold-standard country or countries as is by law and in practice convertible into exportable gold, and such as may be notified in the *Official Gazette*, for immediate delivery in such foreign country or countries.

Provided that no person shall be entitled to demand or offer an amount of foreign currency of less value than 50,000 leva of legal-tender money of Bulgaria.

2. For the purpose of determining the rate applicable to the sale of foreign currency under this article, the amount in leva which represents 1,000 grammes of fine gold in accordance with the stabilisation rate shall be deemed to be equivalent to such sum in that foreign currency as is required to purchase 1,000 grammes of fine gold in that foreign country, at the rate at which the principal currency authority of that country is bound by law to sell gold in exchange for currency, after deduction from such of an amount to be fixed by the Bank representing the normal cost per 1,000 grammes of transferring gold bullion in bulk from Sofia to that foreign country, including interest and insurance of its value during transit.

3. For the purpose of determining the rate applicable to the purchase of foreign currency under this article, the amount in leva which represents 1,000 grammes of fine gold in accordance with the stabilisation rate shall be deemed to be equivalent to such sum in that foreign currency as is realised by the sale of 1,000 grammes of fine gold in that foreign country at the rate at which the principal currency authority is bound by law to purchase gold in exchange for currency, after addition to such sum of an amount to be fixed by the Bank representing the normal cost per 1,000 grammes of transferring gold bullion in bulk from that foreign country to Sofia, including interest and insurance on its value during transit.

4. On the date on which the provisions of this law become operative, the Bank shall notify in the *Official Gazette* at least one foreign gold-standard country for the purposes set forth in Section 1 of this article. The Bank shall similarly notify any additions or changes of the foreign gold-standard countries to which Section 1 of this article is to apply. The Bank shall also from time to time determine the equivalent rates in accordance with the provisions of Sections 2 and 3, and shall notify in the *Official Gazette* the rates so determined.

Article 9.

The Bank shall maintain a reserve of not less than 33 $\frac{1}{3}$ % of the amount of its notes in circulation and other demand liabilities. By bank-notes in circulation are to be understood all bank-notes issued to the public and not returned to the offices of the Bank or written off under Article 51.

Article 10.

The term “reserve” in the preceding article shall include only :

(a) Gold coin and bullion in the unrestricted ownership of the Bank, and either in the custody of the Bank or deposited in another Central Bank, or in any Mint, or in transit;

(b) Net foreign gold exchange in the unrestricted ownership of the Bank, provided that it be either :

1. On a country the currency of which by law and in practice is convertible on demand at a fixed price into exportable gold; or

2. On a country the currency of which by law and in practice is convertible on demand at a fixed price into foreign exchange as defined in 1.

For the purpose of this article the term “net foreign gold exchange” shall be taken to consist of the following kinds of claims on the currency of a country as defined in the preceding paragraph (b) :

1. Balances standing to the credit of the Bank at the Central Bank of such a foreign country.

2. Bills of exchange drawn on and payable in the currency of such a foreign country maturing within three months and bearing at least two good signatures.

3. Treasury Bills, Treasury Certificates of indebtedness or similar obligations of the Government of such a foreign country maturing within three months, less all liabilities in foreign exchange. All such liabilities shall be included in the figures of the weekly statement.

In calculating the amount of the reserve, should it be found that the liabilities in foreign exchange exceed the total of the assets enumerated in the paragraphs numbered 1, 2 and 3 of this article, the excess shall be deducted from the total of the other assets of the reserve.

Article 11.

At the request of the Bank the Government may suspend the operation of Article 9 subject to the payment by the Bank to the Government of a tax.

Suspension may be granted for a period of not more than thirty days in the first instance and may be renewed for further periods not exceeding fifteen days at a time. The tax shall be levied on the amount by which the note circulation and other demand liabilities of the Bank exceed the maximum sum which would be admissible under Article 9.

The tax shall be calculated on the daily amount of the excess at the following rates :

$1\frac{1}{2}$ % per annum above the published minimum current discount rate of the Bank for three-months' bills if the reserve, while less than $33\frac{1}{3}$ % is not less than 30 %;

2 % per annum above such minimum current discount rate if the reserve, while less than 30 %, is not less than 25 %;

3 % above such minimum current discount rate if the reserve is less than 25 %.

Article 12.

Whenever the reserve falls below the $33\frac{1}{3}$ % referred to in Article 9, the Bank shall immediately add to its minimum current discount rate a percentage at least equal to the percentage of tax leviable in accordance with Article 11 above.

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CANADA.

OTTAWA MINT PROCLAMATION, 1907.

BY THE KING : A PROCLAMATION.

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We therefore, in pursuance of the said Act¹ and of all other powers enabling Us in that behalf do hereby, by and with the advice of Our Privy Council, proclaim, direct and ordain as follows :

1. A branch of Our Mint (in this Proclamation referred to as the Ottawa Branch Mint) shall be established at or near Ottawa in Our Dominion of Canada on such site as the Governor-General of the Dominion in Council may approve.

2. Gold coins of the same denominations, designs, weights and fineness of gold coins coined at Our Mint in England, may be coined at the Ottawa Branch Mint, and any gold coins so coined (in this Proclamation referred to as sterling gold coins) shall be subject to the allowance of the same remedy as gold coins coined at Our Mint in England.

3. The Master of Our Mint shall prepare and transmit such dies as may be required for the sterling gold coins to be coined at the Ottawa Branch Mint.

4. The sterling gold coins coined in pursuance of this Proclamation at the Ottawa Branch Mint shall be deemed to have been issued from Our Mint, and shall be current and a legal tender in like manner and to the like extent as if they had been coined and issued in England.

5. (i) If any person brings to the Ottawa Branch Mint any gold bullion and requires the Deputy Master of that branch to assay, coin into sterling gold coins and deliver out the same to him, the Deputy Master shall comply with the requisition upon payment for every ounce troy of gold of standard fineness of a charge of three cents where the amount brought at one time does not exceed five hundred ounces, and of two cents in any other case : Provided that :

(a) Where the gold bullion so brought is such that it cannot be brought to the standard fineness of the coin to be coined thereout without refining the whole or some portion of it, the Deputy Master shall demand for assaying and refining the same such additional charge as the Governor-General in Council may from time to time fix, and until such charge is paid to him may refuse to receive, assay, or coin such bullion; and

(b) Where the bullion brought to the branch Mint for coinage is finer than the standard fineness of the coin to be coined thereout, there shall be delivered to the person bringing the same such additional amount of coin as is proportionate to such superior fineness;

(c) No undue preference shall be shown to any person as respects the bullion brought to the branch Mint, and every person shall have priority according to the time at which he brought it;

(d) The Governor-General in Council may make regulations for carrying into effect the provisions of this Article with respect to gold bullion, and the bringing, coining, and delivery out thereof, and in particular for regulating the time and conditions at and under which it is to be so brought, assayed, coined, and delivered out, and the minimum amount which may be so brought.

¹ The Coinage Act, 1870.

(ii) The charges under this Article for coining, assaying, and refining shall be collected by the Deputy Master in accordance with the said regulations, either as a payment in advance, or as a deduction from the coin delivered out, or otherwise, and shall be accounted for and paid over in such manner as the Governor-General in Council directs to the Minister of Finance and Receiver-General of Canada, to be by him paid into the Consolidated Revenue Fund of Canada.

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7. Subject to any regulations and conditions which may be made by the Master of Our Mint, the Deputy Master of the Ottawa Branch Mint shall coin at that branch Mint any gold, silver, bronze, or other coin which the Governor-General of the Dominion requires to be so coined, and which is for the time being a coin of the Dominion and current and legal tender in the Dominion, but coins coined under this Article shall not for the purposes of the Coinage Act, 1870, be deemed to be coins made at, or issued from, Our Mint.

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12. This Proclamation shall come into force on the first day of January, nineteen hundred and eight.

THE DOMINION NOTES ACT OF AUGUST 22ND, 1914.

5 OF GEORGE V, CHAPTER 4.

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Article 2.

In this Act, unless the context otherwise requires :

(a) “Dominion Notes” means notes of the Dominion of Canada issued and outstanding under the authority of this Act;

(b) “Gold” means :

(i) Gold coins which are a legal tender in Canada, and,

(ii) Gold bullion in bars, each bar bearing either the stamp of the Royal Mint of the United Kingdom or of the branch thereof in Canada or of one of the branches thereof in Australia or of one of the coinage mints of the United States or of the Assay Office of the United States at New York certifying its weight and fineness, at a valuation of one dollar in the currency of Canada for every 23.22 grains of fine gold content;

(c) “Minister” means the Minister of Finance.

Article 3.

Dominion notes may be issued and outstanding at any time to any amount, and such notes shall be a legal tender in every part of Canada except at the offices at which they are redeemable.

Article 4.

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3. Dominion notes shall be redeemable in gold on presentation at branch offices established or at banks with which arrangements are made for the redemption thereof as hereinafter provided.

Article 5.

The Minister of Finance shall always hold as security for the redemption of Dominion notes up to and including fifty million dollars, issued and outstanding at any one time, an amount equal to not less than twenty-five per centum of the amount of such notes in gold.

2. As security for the redemption of Dominion notes issued in excess of fifty million dollars, the Minister shall hold an amount in gold equal to such excess.

Article 6.

In case the amount held in accordance with the provisions of this Act as security for the redemption of Dominion notes is not sufficient to pay the Dominion notes presented for redemption, or in case the amount so held is reduced below the amount required by this Act to be held, the Governor in Council may raise, by way of loan, temporary or otherwise, upon such form of security and upon such terms and conditions as the Governor in Council may approve, such sums of money as are necessary to pay such notes or to provide the amount required to be held as security for the redemption of Dominion notes issued and outstanding.

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Article 10.

Provincial notes under the Act of the late province of Canada, passed in the session held in the twenty-ninth and thirtieth years of Her late Majesty Queen Victoria's reign, chapter ten, intituled "An Act to Provide for the Issue of Provincial Notes", shall be held to be notes of the Dominion of Canada, and shall be redeemable in gold on presentation at Toronto, Montreal, Halifax or St. John, according as the same are respectively made payable, and shall be legal tender except at the offices at which they are respectively made payable.

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THE FINANCE ACT OF AUGUST 22ND, 1914.

5 OF GEORGE V, CHAPTER 3.

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Article 4.

In case of war, invasion, riot or insurrection, real or apprehended, and in case of any real or apprehended financial crisis, the Governor in Council may, by proclamation published in the *Canada Gazette* :

(a) Authorise the making of advances to the chartered banks and to the savings banks to which *The Quebec Savings Banks Act, 1913*, applies, by the issue of Dominion notes upon the pledge of securities, deposited with the Minister, of such kind and amount as may be approved by the Treasury Board; such advances to be repayable at such times as the Board may determine with interest at a rate likewise determined by the Board of not less than five per cent per annum.

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THE SAVINGS BANK ACT OF 1914.

PART III, SECTION 47.

All monies deposited or paid into Dominion Savings Banks form part of the Consolidated Revenue Fund of Canada. The Minister of Finance is bound by Statute to hold an amount in gold, or in gold and Canadian securities guaranteed by the Government of the United Kingdom, equal to not less than 10 % of the total amount of such deposits, as such amount is ascertained from time to time.

AN ACT OF APRIL 8TH, 1915, RESPECTING CERTAIN ISSUES OF DOMINION NOTES.

5 OF GEORGE V, CHAPTER 4.

Whereas for the purposes set forth in Orders in Council of date the fifth day of September, 1914 (P.C. 2825), the twenty-sixth day of September, 1914 (P.C. 2450), the twenty-fourth day of October, 1914 (P.C. 2670), the twentieth day of November, 1914 (P.C. 2921), and the sixteenth day of December, 1914 (P.C. 3170), and pursuant to said orders, advances to the amount of ten million dollars (\$10,000,000) in the form of an issue of Dominion notes were made to the Canadian Northern Railway Company, against a pledge by the company of its guaranteed securities issued in pursuance of the provisions of *The Canadian Northern Railway Guarantee Act*, 1914, by placing the sums so advanced to the credit of the Minister of Finance for payment out under the provisions of the trust deed securing the issue of these securities;

And whereas for the purposes set forth in Orders in Council of date the fifth day of September, 1914 (P.C.2826), the twenty-sixth day of September, 1914 (P.C.2451), the twenty-fourth day of October, 1914 (P.C.2671), and the twentieth day of November, 1914 (P.C.2922), and pursuant to said orders, advances to the amount of six million dollars (\$6,000,000) in the form of an issue of Dominion notes were made to the Grand Trunk Pacific Railway Company, against a pledge by the company of its guaranteed securities issued in pursuance of the provisions of *The Grand Trunk Pacific Guarantee Act*, 1914, by placing the sums so advanced to the credit of the Minister of Finance for payment out under the provisions of the deed of trust securing the issue of these securities;

And whereas pursuant to an Order in Council of date the second day of November, 1914 (P.C.2750), Dominion notes to the amount of ten million dollars (\$10,000,000) were issued, in order that certain obligations of Canada might be met as they matured;

And whereas with respect to the greater part of these issues of Dominion notes security in the form required by Section 5 of *The Dominion Notes Act*, 1914, was not held;

And whereas it is expedient that such issues, and the making of such advances and the taking of security therefor, and the agreements with regard to repayment of such advances be severally confirmed :

Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :

1. The issues of Dominion notes and the advances made in pursuance of the Orders in Council cited in the preamble, and all things done under the provisions of the said Orders in Council, are hereby confirmed and shall be deemed to have been duly authorised.

2. The agreements referred to in the preamble are hereby declared to be and shall be deemed to have been valid agreements and binding on the respective railway companies parties thereto.

THE BANK ACT OF JUNE 30TH, 1923.

13-14 OF GEORGE V, CHAPTER 32.

Article 4.

The provisions of this Act apply to the several banks enumerated in Schedule A to this Act, and to every bank incorporated after the first day of January, one thousand nine hundred and twenty-two¹ whether this Act is specially mentioned in its Act of incorporation or not, but not to any other bank, except as hereinafter specially provided. 1913, c.9, s.3.

Article 5.

Each of the several banks under the name mentioned in Schedule A to this Act is, and shall continue to be, a body politic and corporate until the first day of July, one thousand nine hundred and thirty-three, and this Act shall form and be the charter of each of the said banks until the first day of July aforesaid. The chief office of each bank, and, subject to the provisions of this Act with regard to increase or decrease, the amount of its authorised capital stock, divided into shares of one hundred dollars each, shall be as set out in the schedule.

2. As to all other particulars, this Act shall form and be the charter of each of the said banks until the first day of July, one thousand nine hundred and thirty-three. 1913, c.9, s.4. Am.

Article 60.

The bank² shall hold in Dominion notes not less than forty per cent of the cash reserves which it has in Canada.

2. The Minister shall make such arrangements as are necessary for ensuring the delivery of Dominion notes to any bank, in exchange for an equivalent amount of gold coin lawfully current at the several branch offices of the Department of Finance established for the redemption of Dominion notes under the provisions of *The Dominion Notes Act, 1914*.

3. Such notes shall be redeemable at any of the branch offices mentioned in subsection 2 hereof. 1913, c.9, s.60, Am.

Article 61.

The bank may issue and re-issue its notes payable to bearer on demand and intended for circulation; provided that :

(a) The bank shall not, during any period of suspension of payment of its liabilities, issue or re-issue any of its notes; and

(b) If, after any such suspension, the bank resumes business without the consent in writing of the curator, hereinafter provided for, it shall not issue or re-issue any of its notes until authorised by the Treasury Board so to do.

2. No such note shall be for a sum less than five dollars, or for any sum which is not a multiple of five dollars.

¹ See footnote No. 1 on page 56.

² The words "the bank" refer to each of the banks to which this law applies.

3. Except as hereinafter provided, the total amount of the notes of a bank in circulation at any time shall not exceed the aggregate of :

- (a) The amount of the unimpaired paid-up capital of the bank; and
- (b) The amount of current gold coin and of Dominion notes held for the bank in the central gold reserves hereinafter mentioned.

4. The Association may, with the approval of the Minister, appoint three trustees, and the Minister may appoint a fourth trustee, and the trustees so appointed shall receive such amounts in current gold coin and Dominion notes, or either, as any bank may desire from time to time to deposit with them. The amounts so deposited are herein referred to as "central gold reserves" and shall be held and dealt with in accordance with the provisions of this Act.

14. During the usual season of moving the crops—that is to say, from and including the first day of September in any year to and including the last day of February next ensuing—in addition to the said amount of notes hereinbefore authorised to be issued for circulation, the bank may issue its notes to an amount not exceeding fifteen per cent of the combined unimpaired paid-up capital and rest or reserve fund of the bank as stated in the statutory monthly return made by the bank to the Minister for the month immediately preceding that in which the additional amount is issued.

16. While its notes in circulation are in excess of the aggregate referred to in sub-section 3 of this section, the bank shall pay interest to the Minister at such rate, not exceeding five per cent per annum, as is fixed by the Governor in Council, on the amount of its notes in circulation in excess from day to day; and the interest so paid shall form part of the Consolidated Revenue Fund.

Article 64.

The moneys heretofore paid to and now deposited with the Minister by the banks to which this Act applies, constituting the fund known as the Bank Circulation Redemption Fund, shall continue to be held by the Minister for the purposes and subject to the provisions in this section mentioned and contained.

2. The Minister shall, upon the issue of a certificate under this Act authorising a bank to issue notes and commence the business of banking, retain, out of any moneys of such bank then in his possession, the sum of five thousand dollars, which sum shall be held for the purposes of this section, until the annual adjustment hereinafter provided for takes place in the year then next following.

3. The amount at the credit of such bank shall, at such next annual adjustment, be adjusted by payment to or by the bank of such sum as is necessary to make the amount of money at the credit of the bank equal to five per cent of the average amount of its notes in circulation from the time it commenced business to the time of such adjustment, and such sum shall thereafter be adjusted annually as hereinafter provided.

4. The amounts heretofore and from time to time hereafter paid, to be retained and held by the Minister as by this section provided, shall continue to form and shall form the Circulation Fund.

5. The Circulation Fund shall continue to be held as heretofore for the sole purpose of payment, in the event of the suspension by a bank of payment in specie or Dominion notes of any of its liabilities as they accrue, of the notes then issued or reissued by such bank, intended for circulation, and then in circulation, and interest thereon.

Article 65.

In the event of the suspension by a bank of payment in specie or Dominion notes of any of its liabilities as they accrue, the notes of the bank, issued or reissued, intended for circulation, and then in circulation, shall bear interest at the rate of five per cent per annum, from the day of the suspension to such day as is named by the directors, or by the liquidator, receiver, assignee, or other proper official, for the payment thereof.

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Article 70.

The bank shall make such arrangements as are necessary to ensure the circulation at par, in any and every part of Canada, of all notes issued or reissued by it and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes at the places at which the Governor in Council has established branch offices of the Department of Finance for the redemption of Dominion notes, and at such other places as are from time to time designated by the Treasury Board. 1913, c.9, s.70, Am.

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THE FINANCE ACT OF JUNE 30TH, 1923.

13-14 OF GEORGE V, CHAPTER 48.

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :

Article 1.

This Act may be cited as *The Finance Act, 1923*.

Article 2.

At any time when there is no proclamation in force under the authority of paragraph (a) of section four of *The Finance Act, 1914*, the Minister of Finance (hereinafter called "the Minister") may make advances to the chartered banks and to the savings banks to which *The Quebec Savings Bank Act, 1913*, applies by the issue of Dominion notes upon the pledge of the securities hereinafter mentioned :

- (a) Treasury bills, bonds, debentures or stocks of the Dominion of Canada, the United Kingdom, any province of Canada, and of any British possession;
 - (b) Public securities of the Government of the United States;
 - (c) Canadian municipal securities;
 - (d) Promissory notes and bills of exchange secured by documentary title to wheat, oats, rye, barley, corn, buckwheat, flax or other commodity;
 - (e) Promissory notes and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes and which have been used or are to be used for such purposes.
- .

Article 3.

Such securities shall be deposited with the Minister or with an Assistant Receiver-General. The Minister may request the trustees of the central gold reserves to make a valuation of and recommendation as to the amount which, in the judgment of the trustees, may properly be advanced on any securities offered in pledge under this Act.

Article 4.

The Minister may permit bills of lading or other documents of title, covering such grain or other commodity while in transit, to go forward under the control of the bank to the point at which delivery is made and payment therefor is received, and the bank shall be a trustee for the Minister, to the extent of the advances, of the proceeds received for such grain or commodity.

Article 5.

All promissory notes or bills of exchange when pledged pursuant to this Act shall have a maturity, exclusive of days of grace, not later than six months from the time at which they are pledged.

Article 6.

Advances made hereunder shall be for a period not exceeding one year and interest thereon shall be payable at such rate as may from time to time be fixed by the Treasury Board.

Article 7.

All repayments of advances shall be in Dominion notes and such repayments shall be made to the Minister or to an Assistant Receiver-General.

Article 8.

All interest received on account of such advances shall be paid to the Minister for Consolidated Revenue Fund.

Article 9.

All advances of Dominion notes made hereunder shall be deemed to be an amount due by the bank to the Government of Canada and shall be a second charge (payment of a bank's own notes, issued by the bank, in circulation, being the first charge) upon the assets of the bank.

Article 10.

The bank shall satisfy the said trustees before an advance is made by the Minister that any promissory notes or bills of exchange described in paragraph (e) of section two of this Act, offered in pledge, have in fact been issued or drawn, or the proceeds have been used, or are to be used in the first instance, in producing, purchasing, carrying or marketing grain or goods, wares and merchandise within the meaning of these words in *The Bank Act*.

Article 11.

No advances shall be made against the pledge of promissory notes or bills of exchange issued or drawn for the purpose of carrying or trading in stocks, bonds, or other securities, and no advance shall be made against promissory notes or bills of exchange, the proceeds of which, when issued or drawn, were employed on capital expenditures of any kind, and the Minister may direct the trustees to make enquiry and report as to whether any notes or bills offered in pledge fall within the prohibition of this section.

Article 12.

The Treasury Board may make regulations, not inconsistent with this Act, with regard to advances made hereunder, the terms and conditions affecting the deposit of securities and all other matters necessary to give effect to the provisions of this Act.

Article 13.

Notwithstanding anything contained in *The Bank Act* or in any other statute, the proclamation dated the third day of September, one thousand nine hundred and fourteen, made under the authority of the provisions of *The Finance Act, 1914*, chapter three of the Statutes of 1914 (second session), which proclamation was published in the issue of the *Canada Gazette* dated the fifth day of September, one thousand nine hundred and fourteen, except paragraphs (a) and (c) thereof, shall continue in force and effect until the end of three years after the date of the coming into force of this Act. Provided, however, that the Governor in Council, by proclamation, which shall be published in the *Canada Gazette*, may declare and proclaim an earlier date for the termination of the operation thereof.

Article 14.

1. The Governor in Council, by proclamation, which shall be published in the *Canada Gazette*, may, during the continuance in force of this section, from time to time and for any period or periods, declare and proclaim that the export of gold coin, gold bullion and fine gold bars from the Dominion of Canada shall be prohibited, except in such cases as may be deemed desirable by the Minister of Finance and under licences to be issued by him.

2. This section shall continue in operation for three years after the date of the coming into force of this Act; provided, however, that the Governor in Council by proclamation, which shall be published in the *Canada Gazette*, may declare and proclaim an earlier date for the termination of the operation of this section.

Article 15.

Chapter twenty-one of the statutes of 1919, entitled *An Act to provide for the Continuance in force of a Certain Proclamation made under the Finance Act, 1914, and to authorise the Prohibition of the Export of Gold*, is repealed.

CHILE.

[*Translation.*]

DECREE-LAW CREATING THE CENTRAL BANK OF CHILE (AUGUST 21ST, 1925).

Article 69.

Notes of the Central Bank shall be payable to bearer on demand at the head office of the Bank in Santiago, and payment shall be made in any of the following forms at the option of the Bank :

- (a) In Chilean gold coins of the weight and fineness provided for in the monetary law;
- (b) In gold bars of approximately 100 % fineness and of weight not less than 500 grammes;
- (c) In demand drafts or three-days-sight drafts on London or New York payable in gold and drawn on funds deposited in banks of high standing in those cities. The premiums charged by the Bank above the gold par of the Chilean gold peso as compared with the gold pound sterling and the gold dollar respectively shall not exceed the sum necessary to cover the cost of shipping gold bars in bulk from Santiago to the foreign centre on which the drafts are drawn.¹

Article 71.

To avoid appreciation of the monetary unit above the gold value stipulated in the monetary law, the Central Bank of Chile shall at its head office in Santiago pay out its own notes in exchange :

- (a) At par for unworn gold coins of the Chilean Republic; or for coins minted after the promulgation of the present law and not worn below the limit fixed by law; or at the rate of one peso in bank-notes for 0.183057 gramme of fine gold for other gold coins of the Chilean Republic;
- (b) For foreign gold coin or its equivalent in paper money payable on demand, and deposits payable on demand in the same coin, also at the rate of one peso per 0.183057 gramme of fine gold, provided the said deposits have been credited to the account of the legal reserve of the Central Bank of Chile in banks in London or New York where the said Central Bank maintains reserves of that kind.

On paying out notes in Santiago against gold deposits abroad, the Bank shall be entitled to charge a premium equivalent to the cost of shipping gold in bulk from the foreign city concerned to Santiago, plus the costs that will be incurred for minting the said gold into Chilean coin at the Santiago Mint and the interest accruing during the time of transit.

¹ By Decree-Law No. 573, of September 29th, 1925 a sentence at the end of Article 69 was deleted.

Article 74.

The Central Bank of Chile shall be required to redeem and immediately cancel and retire from circulation all Treasury bills and Treasury bonds. The Bank shall pay out on sight and at par its own convertible notes in exchange for the said Treasury bills and Treasury bonds at its head office in Santiago and at any branches it may establish, as from the day when the said head office and branches open. It shall also exchange the said Treasury bills and Treasury bonds on demand at its head office in Santiago against gold or gold drafts in the same form and under the same conditions as are stipulated in Article 69 of the present law for the redemption of its own notes.

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Article 83.

The Central Bank of Chile shall maintain a gold reserve equivalent to 50 % of the total of its notes in circulation and deposits. This reserve may consist of :

- (1) Gold coin and bars deposited in the vaults of the Bank in Chile;
- (2) Gold coin and bars deposited in banks of high standing abroad, and
- (3) Deposits payable on demand and in gold in banks of high standing in London and New York. The proportions to be maintained between these components shall be determined by the Board of Directors.

Article 84.

The reserve of 50 % stipulated in the preceding article shall cover also Treasury bills and Treasury bonds in circulation which the Bank is required to redeem, cancel and retire by virtue of the provisions of Article 74 of the present law.

Article 85.

When the gold reserve of the Bank, constituted as prescribed in Articles 83 and 84, falls below the legal minimum of 50 %, the Bank shall be subject to the following penalties, which shall be imposed by the Superintendent of Banks, the fines involved accruing to the Treasury : if the reserve falls below 50 % but not below 45 %, a tax of 3 % per annum on the amount by which the reserve is less than 50 %; if below 45 % and not below 40 %, a tax of 6 % per annum on the total amount by which the reserve is less than 50 %; if below 40 % and not below 35 %, a tax of 10 % per annum on the total amount by which the reserve is less than 50 %; and if below 35 %, a tax of 10 % per annum on the total amount by which the reserve is less than 50 %, plus an additional rate of $1\frac{1}{2}$ % per annum for each one per cent by which the proportion of reserves is less than 35 %.

Article 86.

The discount and rediscount rate of the Central Bank may not be less than 7 % per annum when the Bank's reserve has been continuously for a week or more below the said normal minimum of 50 % of the total amount of notes in circulation and deposits.

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Article 88.

The Minister of the Treasury, as representative of the President of the Republic, shall enter in the articles of the Bank the following obligations of the State, which shall thereby have the force of contractual obligations.

- (a) The Government authorises the Bank to trade freely in gold and for that purpose to export and import gold without being subject to any restriction or taxation.

This authorisation shall be granted subject to the reservation that the President of the Republic and the Bank may agree, in case of internal or external disturbances, to suspend temporarily the free trade in gold.

(b) The Government undertakes to mint gold coin for the Bank without restriction as to quantity and in accordance with the rates of charges to be prescribed by law. The Mint shall give the Bank, as compared with other organisations or individuals, a time-preference as regards the coining of gold brought for that purpose to the Mint, provided the Board of Directors of the Bank so agree by a majority of seven members.

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COLOMBIA.

[*Translation.*]

**LAW No. 65 OF 1916 (DECEMBER 13TH) CONCERNING THE EXCHANGE,
MINTING AND RE-MINTING OF COIN.**

Article 1.

The Government is authorised to mint gold coin at the Mints of Bogotá and Medellín whenever it considers this expedient, in order to meet the requirements of circulation. This minting shall also be done by the Government for private individuals at cost price. (Article 9, Law 15 of 1918.)

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**LAW No. 15 OF 1918 (SEPTEMBER 10TH) CONCERNING THE MINTING AND
RE-MINTING OF COIN AND THE POWERS OF THE EXECUTIVE.**

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Article 9.

Any person may deliver duly assayed gold bullion to the Mints at Bogotá and Medellín against certificates of delivery representing the actual value in Colombian currency of the gold delivered.

The certificates in question shall be issued in denominations of two pesos fifty centavos, five, ten, twenty, fifty and one hundred pesos, which shall be accepted at their nominal value for all payments made to the National Treasury.

These certificates shall be exchanged on presentation at the Mints for minted gold or gold bullion.

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**LAW No. 21 OF 1921 (NOVEMBER 2ND) CONCERNING THE EXPORT
OF GOLD, ETC.**

Article 1.

As from the promulgation of the present Law, the export of gold in any form shall be free, subject to payment of the respective export duties.

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**LAW No. 25 OF 1923 (JULY 11TH) : ORGANISATION OF THE BANK
OF THE REPUBLIC.**

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Article 16.

(1) The Bank of the Republic will have the exclusive privilege to issue bank-notes for a period of twenty years, dating from the date of registration of its articles of constitution. These notes will be issued in gold pesos of the weight and fineness fixed by the Fiscal Code.

(2) In case of bankruptcy of the Bank, its notes will enjoy the right of preference over all its other obligations.

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Article 18.

1. The Bank of the Republic shall maintain in its vaults a reserve in gold equivalent to sixty per cent (60 %) of the total of notes in circulation and deposits. A portion of this legal reserve, not exceeding two-fifths thereof, may be kept in the form of demand deposits payable in gold in banks of high standing in foreign financial centres.

2. The same legal reserve is required for two per cent (2 %) treasury bills in circulation, which the Bank is required to exchange for gold, in accordance with Article 24 of the present law¹.

3. Whenever the Bank reserves fall below the legal minimum of sixty per cent (60 %) the bank shall be subject to the following penalties which shall be imposed by the Superintendent of Banking, the fines involved accruing to the National Treasury.

(a) If the reserve falls below sixty per cent (60 %) and not below fifty-six per cent (56 %) the tax to be paid shall be equivalent to four per cent (4 %) of the deficiency; if the reserve falls below fifty-six per cent (56 %) and not below fifty-four per cent (54 %) the tax shall be six per cent (6 %) on the total deficiency below sixty per cent (60 %); if it falls below fifty-four per cent (54 %) and not below fifty-two per cent (52 %) the tax shall be eight per cent (8 %) on the total deficiency below sixty per cent (60 %); if below fifty-two per cent (52 %) and not below fifty per cent (50 %) the tax shall be ten per cent (10 %) on the total deficiency below sixty per cent (60 %) and if below fifty per cent (50 %) an additional tax on the entire deficiency below sixty per cent (60 %) shall be imposed, increasing by two per cent (2 %) for every one per cent (1 %) deficiency below fifty per cent (50 %).

The rate per cent mentioned above is an annual rate and shall in every case be payable during the existence of the deficiency to which it refers.

(b) The discount and rediscount rates of the Bank of the Republic shall not be less than eight per cent (8 %) per annum when the bank reserves have been continuously for one week or more, less than the sixty per cent (60 %) mentioned above. Whenever a deficiency tax is imposed there shall be added to the Bank's discount and rediscount rates an amount equivalent to at least half the rate of the tax imposed for such deficiencies; so that if the rediscount rate were eight per cent (8 %) and the deficiency tax were six per cent (6 %) the Bank would charge at least eleven per cent (11 %).

¹ These Treasury bills, in accordance with Article 24, have now been retired.

Article 19.

1. The notes of the Bank shall be convertible at sight at the head office of the Bank. In other cities where the Bank may establish branches or agencies the notes shall be convertible in gold on sight up to the amount of funds available and beyond that they shall be exchanged for cheques on the head office.

2. If at any time a branch of the Bank of the Republic fails to redeem notes of the Bank on presentation, the person presenting them shall have the option of receiving cheques on the main office as above stated or receiving gold after allowing the minimum time necessary to convey it by the usual means of transport from the head office to the branch, or receiving demand drafts on New York payable in gold, for which the Bank may charge a premium not exceeding that mentioned in the last paragraph of the present article.

3. Should the Bank fail to comply with any of these obligations, it shall be declared *bankrupt owing to suspension of payments*, and action shall be taken as prescribed in such cases by mercantile law.

4. The notes issued by the Bank in accordance with this Law shall have free currency.

5. In time of emergency the Bank may, upon the affirmative vote of six members of the Board of Directors and with the approval of the Minister concerned, give sight or cable drafts on New York payable in gold in that city, in exchange for its notes instead of gold coin, and may on this account charge a premium over the equivalent in pure gold of these foreign currencies as compared with the Colombian gold peso, but this premium shall not exceed the actual cost of shipment of gold coin in bulk between New York and the cities in Colombia where the Bank gives such drafts in exchange for its notes.

Article 20.

1. Article 17 of Law 51 of 1918 is repealed, according to the terms of which "the credit institutions will hold in legal coin, in their vaults, twenty-five per cent (25 %) at least of the amount of their sight deposits." This stipulation is replaced by the following :

2. Every banking institution, with the exception of the Bank of the Republic, will hold in its vaults, in legal coin, at least fifty per cent (50 %) of its sight deposits, namely those payable on demand or within a maximum of thirty days, and a reserve equal to twenty-five per cent (25 %) at least of its deposits on term, namely those payable at more than thirty days.

3. For the purposes of the present article the legal reserve will consist solely of domestic or foreign gold coin and of gold bullion—the coin and bullion in question being valued according to the amount of fine gold which they contain in relation to the Colombian gold peso—in national Colombian notes representing gold¹, in notes of the Bank of the Republic and in Colombian silver coin, but any quantity of this latter coin greater than twenty per cent (20 %) of the minimum required reserve will not be considered as part of the legal reserve. Treasury bills may be counted as part of the legal reserve, for the purposes of the present article, until the provisions designed to retire them, as envisaged in Article 24 of the present law, have been given effect².

When deposits are made in a certain coin, the reserve will be held in that coin in the proportion stipulated above.

4. For the purposes of the present article, the balances of floating credits remaining unused will be considered as available deposits and will require the same reserve as the other deposits of this class.

5. The banks which have become shareholders of the Bank of the Republic through the acquisition of a certain number of class B or class C shares, envisaged in Article 4 of the present law, and which, as a result, enjoy the right of rediscount at the Bank of the Republic, as laid down in Article 18 of the law, will be required to maintain only half of the legal reserve stipulated above. These banks may include their available deposits as part of their legal reserve up to one-half of the reserve which they are required to hold.

¹ These have since been retired and are no longer existent.

² See the footnote under the second paragraph of Article 18.

6. If any bank other than the Bank of the Republic ceases to hold the reserve required by law, the superintendent of banks will impose a fine upon it which may not be greater than one per cent (1 %) of half the deficit during the first ten days of its duration nor greater than two per cent (2 %) of half the deficit during each period subsequent to ten days.

Article 21.

The legal representative of the Government shall provide in the contract by which the Bank is legally constituted for the following obligations on the part of the nation :

(a) To allow the Bank to deal freely in gold, and to import or export it without charge or hindrance. In the case of internal or external disturbance, the Government and the Bank may agree temporarily to suspend unrestricted dealing in gold.

(b) To mint the gold delivered to it by the Bank for that purpose, at the price fixed for that operation in the existing laws. The Minister concerned shall grant the Bank priority as regards the order in which gold brought to the Mints is coined whenever it considers this in the public interest.

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COSTA RICA.

[*Translation.*]

DECREE No. 3, OF OCTOBER 24TH, 1896 : CURRENCY LAW.

Article 1.

The right of minting the national coinage shall be vested exclusively in the nation, acting either for itself, or, by way of contract, through private persons, companies or foreign Governments.

Article 2.

The basis of the currency system of the Republic shall be gold and the monetary unit shall consist of 778 milligrammes of gold of a fineness of 900/1000ths (nine hundred thousandths). The monetary unit shall be called the *colon*, and shall be divided into 100 centimos.

Article 3.

The multiples of the colon shall be struck in gold and only the sub-multiples or fractions of the colon shall be struck in silver.

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Article 12.

The Mint may strike gold coin for private persons, by order of the Ministry of Finance, and subject to the provisions of the present law. The seigniorage charge shall be 1%, provided always that the gold bars furnished are 900/1000ths fine; if not, an extra charge of 1% shall be levied for alloying or refining. Nevertheless, the Federal Executive may waive these charges according to circumstances and to the need for coin.

Article 13.

Silver coin may not be minted for private persons, except by contract passed with the Federal Executive and approved by the Legislature. But, in this case, as in that of minting for the Government, the striking of silver coinage shall be subject to the following conditions :

- (a) No silver coins may be struck with a value exceeding 50 centimos or $\frac{1}{2}$ colon;
- (b) The quantity of silver coin struck shall not exceed 20% of the value of the gold coin struck in conformity with the provisions of the present law.

Article 14.

The Federal Executive shall lay down the proportions in which the various gold and silver coins may be struck, according to their value.

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Article 17.

Foreign gold coin shall have currency in the Republic as soon as the Federal Executive shall have determined its value relatively to the national gold coinage, and provided that its fineness is equal to, or greater than, the latter.

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Article 20.

The Government shall, each year, mint the exact amount of gold and silver coin in the relative proportion laid down for these two categories of coin in Article 13, which is needed to meet the requirements of exchange. For this purpose, the minimum amount of national coin shall be fixed at 20 colons per inhabitant.

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DECREE No. 1, OF APRIL 17TH, 1900.

Article 1.

As from July 15th next, all gold certificates issued by the Government and in circulation at that date must be presented at the Bank of Costa Rica, as administrator of the public revenues, for conversion into gold.

Article 2.

As these certificates are successively exchanged by the Bank, they shall be placed at the disposal of the Ministry of Finance in order to be burnt in the manner provided by law, after being checked with the issue records.

Article 3.

All liabilities contracted in national currency and outstanding on July 15th next shall be governed by the new gold currency (the colon) in the proportion of one gold colon to one silver peso of the present currency. The payment of all revenue taxes and charges shall be made on the same basis, and the present national silver coinage shall continue to circulate, subject to the reservations laid down by the existing currency law.

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DECREE No. 16, OF APRIL 25TH, 1900 : BANK LAW.

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Article 17.

No corporation or person may put into circulation documents of any kind containing a promise to pay in cash, and made payable to bearer at sight.

Documents issued in this manner shall be null and void under civil law.

Any person signing such documents shall pay a fine of 500 colons, or 10% of the value specified in the documents, if that value exceeds 5,000 colons.

Article 18.

Mortgage banks may not issue bearer notes payable at sight, but they may put into circulation redeemable mortgage bonds, so far as this is provided for in the Statutes of the Bank, for an amount equal to the value of the first-class mortgages taken out in their favour.

Article 19.

Non-mortgage banks shall alone be entitled to issue bearer notes, on the conditions laid down by the present law, and provided they have power to do so under their Statutes.

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Article 33.

No person is obliged to accept notes in discharge of a debt, service or liability of any sort. The currency of such notes is entirely voluntary.

Article 34.

Notes shall be exchanged, on presentation, against national gold, and the Bank may not refuse to pay except on the ground that the note is not genuine.

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Article 40.

If a person presents a note at the Bank and this note is not paid in national gold, he may have a protest drawn up by a notary, who shall go to the offices of the Bank and draw up a statement attesting the refusal. On the strength of this document, if the Bank does not allege that the note is not genuine, the judge concerned shall issue an order in bankruptcy.

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**DECREE No. 12, OF NOVEMBER 17TH, 1902, AMENDING THE BANK LAW
OF APRIL 25TH, 1900.**

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Amendment No. 4.

Article 20 of the Bank Law shall read as follows :

“Bearer notes may not be issued by any bank whose paid-up capital is less than one million colons, and which, at the beginning of its issuing transactions, has not that amount in its vaults either in national gold or in foreign gold coinage whose value relatively to the national gold coinage has previously been officially determined.”

Amendment No. 5.

Article 21 shall read as follows :

“For purposes of note issue, the paid-up capital of banks which were created without rights of issue but which decide to issue notes at some date after they have begun business, shall be considered as consisting of national gold coin, provided this paid-up capital is not less than one million colons.

“Similarly, the paid-up capital of banks which are at present established shall be considered, for purposes of note issue, as consisting of national gold coin, provided the said paid-up capital is not less than one million colons.”

Amendment No. 6.

Article 22 shall read as follows :

“The total amount of the notes which a bank may issue shall in no case exceed the amount of its paid-up capital. The reserve funds shall never be reckoned as capital.”

Amendment No. 7.

Article 23 shall read as follows :

“Every bank of issue must at all times hold in its vaults, either in national gold coin or in foreign gold coin whose value relatively to the national coinage has previously been officially determined, a reserve equal to 50% of the amount of the notes in circulation which may be presented for payment.

“Any bank which infringes this decision shall be liable to a fine of ten thousand colons; it shall be compelled by judicial order to withdraw its notes, which shall be called in for exchange, and shall forfeit its right of issue.”

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DECREE No. 12, OF SEPTEMBER 18TH, 1914.

Article 1.

As from to-day's date and until further orders by the Federal Executive, banks of issue established in the Republic are authorised not to exchange their notes against gold.

Article 2.

The notes of the said banks shall be legal tender for the discharge of all liabilities contracted in gold colons.

Article 3.

So long as the present Decree shall remain in force, the enforcement of the provisions of Articles 33, 34 and 40 of the existing Bank Law shall be suspended so far as they conflict with the present provisions.

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DECREE No. 16, OF OCTOBER 9TH, 1914.

A State credit and issuing establishment, to be known as the International Bank of Costa Rica, is hereby set up; with its domicile in this city; it shall be managed by private persons under the direct supervision of the Federal Executive.

Its purpose and constitution shall be as follows :

I.

The Bank shall be authorised to issue notes for an amount not exceeding four million colons ¹ in accordance with the provisions of the present Bank Law and of its subsequent amendments, in so far as they do not conflict with the provisions of the present Decree.

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DECREE No. 27, OF NOVEMBER 24TH, 1914.

Single Article.

The exportation of gold and silver in bullion or specie is prohibited.
This prohibition does not apply to gold and silver mined in the country.
The present Law shall take effect as from the date of its publication.

DECREE No. 19, OF MARCH 29TH, 1921.

Article 1.

The inconvertibility proclaimed by Decree No. 12, of September 18th, 1914, shall remain in force up to the 31st of the present month, after which date banks shall be obliged to exchange their notes as provided in Article 34 of the Bank Law.

The above shall not apply to the International Bank of Costa Rica, whose notes shall be convertible in a manner to be finally settled in a subsequent law.

Article 2.

The notes of the International Bank of Costa Rica shall remain available for use by debtors as legal tender for the discharge at par of liabilities contracted in gold colons. Nevertheless, if the creditor refuses to accept them, the debtor shall enjoy a moratorium for such time as the inconvertibility of the notes of the said Bank may subsist.

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DECREE No. 24, OF JUNE 11TH, 1921.

Article 1.

Decree No. 27, of November 24th, 1914, is hereby abrogated.

Article 2.

The present Decree shall take effect as from the date of its publication.

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¹ This amount was subsequently increased several times.

DECREE No. 17, OF OCTOBER 10TH, 1922.

CREATION OF THE CONVERSION OFFICE

Article 1.

A Department of the International Bank of Costa Rica shall be opened under the name of the Conversion Office.

Article 2.

The operations of the Office shall be directed by the Board of the Bank in accordance with the regulations issued to this effect and submitted for approval to the Ministry of Finance.

Article 3.

The office shall exchange notes issued by it for gold or sight drafts on New York at the option of its Administrator, at the rate of four colons to one dollar.

Article 4.

The Office may purchase foreign drafts at the same rate as above in exchange for its own notes.

Article 5.

It may also draw against its notes bills on the United States of America, always at the aforesaid rate of four colons to one dollar.

Article 6.

For the purchase or sale of drafts as laid down in the foregoing articles, the Office shall charge only such commission as is sufficient to cover the cost of the movement of funds.

Article 7.

Neither the gold coin received by the Office in exchange for its notes, nor the balance formed in the same manner in the United States, may be applied to any other purpose than that of meeting demands for currency or drafts in exchange for the notes of the Office.

Article 8.

The resources of the Office shall be constituted by the export tax on bananas, as from to-day, and further by all moneys which the Government may assign for this purpose.

Article 9.

The funds referred to in the foregoing article shall be deposited in the Office in gold coin or sight drafts on New York. On the basis of these funds, the Office shall issue gold notes in the ratio of four hundred per cent, which the Bank shall take as a repayment of its advances to the Government. The Bank shall withdraw from circulation an equal amount of its existing notes and put into circulation those received from the Office.

The legal provisions regarding banks of issue shall apply to the Conversion Office in so far as they do not conflict with the present Law.

Article 10.

The notes of the Office shall be accepted by all Government offices at their full face value and on a par with the notes of the International Bank of Costa Rica.

Article 11.

All Government offices shall accept gold coin of the United States of America offered to them by private persons in payment of taxes, dues, etc., at the rate mentioned above.

Article 12.

As from the promulgation of this Law and during the period of conversion, neither the Government nor the International Bank of Costa Rica nor any other institution may issue any inconvertible notes, even against full cover. The Office may issue its own notes to the amount required by the public or the Government, but always against gold or drafts on New York at the rate laid down, and always on condition of being paid in gold or sight drafts at the option of the Administrator of the Office and at the same rate. The International Bank may issue notes, but solely to replace destroyed notes of its own issue.

Article 13.

The import duties hitherto fixed in gold colons shall cease to be so computed and shall be reckoned in current notes, but at twice the amount of the corresponding assessment or tax. Any other taxes in gold colons shall be similarly computed.

Article 14.

The notes delivered by the Conversion Office to the International Bank of Costa Rica (Article 9) shall be put at the disposal of persons importing merchandise, without discrimination, provided that the applicant submits a commercial invoice for the amount which he wishes to cover, together with the relevant bill of shipment to a recognised port of the Republic and provided that the goods covered by the invoice are not luxury articles.

The latter shall be understood to include wines, liqueurs, perfumery, silks, furs, motor cars, tobacco and works of art, and, furthermore, any goods included by the Federal Executive in any regulation issued relative to the present Law. Notwithstanding, the Ministry of Finance shall have the preference in acquiring the notes of the Conversion Office when the latter are needed for the service of national loans payable in gold, provided that such notes are not acquired on credit. In dispossessing itself of the notes of the Conversion Office, the International Bank of Costa Rica shall see that parity is maintained between them and its own notes.

Article 15.

The notes of the Office received by the Bank in payment of Government obligations, as laid down in Article 9, shall not be put into circulation until the moneys referred to in Article 8 amount to a minimum of one and a-half million dollars.

Article 16.

The Conversion Office shall open a special account for the notes and for the gold and drafts they represent, and shall issue a monthly statement showing clearly and separately the issues made and the gold deposits held in the country and abroad, together with a statement of bills receivable and bills payable. Payments to the staff of the Conversion Office and other expenditure involved by its operations shall be defrayed by the International Bank of Costa Rica.

The State shall guarantee the operations of the Conversion Office.

During the validity of this Law, the export of gold coin shall be free.

Article 17.

If, at any moment and for any reason, the note circulation of the Office should cease to be adequately covered, as provided for in this Law, or if the drafts purchased by the Office prove irrecoverable or depreciate in value before their due date, or if the foreign correspondents with whom the funds of the Office are deposited fail or suspend payment, the International Bank of Costa Rica shall, without loss of time and from its own resources, proceed to restore the equilibrium which must exist in virtue of the present Law between the note circulation and drafts of the Office on the one hand, and the holdings in cash and commercial bills on the other.

All amounts of gold in the possession of the International Bank of Costa Rica shall be understood to be the property of the Conversion Office up to the amount of the sum due to it according to the accounts of issue.

Article 18.

The International Bank is authorised to invest its gold reserve in foreign banks of recognised solvency with the sole object of earning interest in order to increase the said reserve.

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**DECREE No. 3, OF FEBRUARY 23RD, 1924 : REGULATIONS
FOR THE CONVERSION OFFICE.**

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Article 8.

In exchange for its notes, the Office shall accept only United States gold currency, at the rate of exchange laid down by law, and those foreign gold currencies that were legally sanctioned by Decree No. 4, of February 20th, 1902, on the basis of 400% for American gold or sight drafts on New York drawn by banks or banking concerns of recognised solvency, or by exporters whose drafts are expressly authorised by an accredited representative of the firm drawn upon, who must accept them in that capacity and have power to do so. The Board of Directors may assimilate to bankers' drafts, drafts issued by concerns other than banks which, in its opinion, fulfil the same conditions.

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CUBA.

[*Translation.*]

MONETARY LAW OF OCTOBER 29TH, 1914.

Article I.

The minting of the national currency, being an exclusive privilege of the State, is decreed and regulated by the present Law. This currency shall have gold as its basis or standard, and the peso, weighing 1.6718 gramme, including 1.5046 gramme of pure gold, as its unit.

Article II.

Gold, silver and nickel coins of the following denominations shall be minted :

(a) Gold coins : pieces of 20, 10, 5, 4, 2 and 1 pesos.

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Article III.

There shall be no limit to the minting of gold. The amount of silver minted may not exceed 12 million pesos and that of nickel shall be fixed by the National Executive Authority.

Article IV.

The fineness of the coins shall be as follows :

(a) Gold coins : nine hundred thousandths of fine metal with a tolerance of one thousandth both in regard to fineness and weight.

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Article V.

The gold coins shall be legal tender to any amount.

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Article VII.

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The gold coins of 5, 10 and 20 pesos shall have the same design, weight and value as coins of the United States of America, whilst those of 4, 2 and 1 pesos shall correspond to the foregoing as regards design and weight.

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Article X.

The national currency and that of the United States shall alone be legal tender for the payment of liabilities contracted during the validity of the present Law; payments may, however, be made in foreign currencies if the contracting parties have agreed thereto.

MINTING.

Article XI.

The Executive Authority is authorised to negotiate by public tender with banking institutions domiciled within the Republic, with regard to the minting of the coins referred to in the present Law; the institution awarded the contract shall be responsible for all expenditure caused by the purchase of metal, its transport and delivery to the Mint of the United States, for the reimbursement of the minting costs and for the transport and delivery of the minted coins to the General Treasury of the Republic.

Article XII.

The Executive Authority shall refund to the contracting institution the sums due to it as follows :

- (a) Within ten days subsequent to the delivery of each consignment of minted coins, the value of the metal utilised for this minting operation;
- (b) Within thirty days subsequent to the presentation of the accounts which must accompany each delivery of minted coin, the other expenses, including the agreed commission. The costs of the minting operations, the insurance, transport and freight costs, and other necessary expenditure before delivery to the General Treasury, must be proved by the production of documentary evidence in good and due form. The refund of these sums shall be made by the General Treasury out of the coins minted.

Article XIII.

The Executive Authority shall take the necessary steps to arrange with the Government of the United States of America for the minting of the national coinage to be carried out at the Mint of that country.

Article XIV.

Minting costs and other expenditure involved by this service shall be borne by the Treasury of the Republic and paid out of the profits accruing from the minting operations.

Article XV.

The institution with which the State has contracted for the minting of coins is authorised :

- (a) To negotiate and execute deeds and contracts relating to the minting of the coins authorised under the present Law;
- (b) To purchase the metals required for such minting;
- (c) To enter into a contract for the costs of minting and of delivering the coins in question to the General Treasury, including under this heading transport and insurance costs and other necessary expenditure.

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Article XVII.

Foreign currency in circulation, other than that of the United States of America, shall cease to be legal tender; it may nevertheless circulate as a commodity, without prejudice to contracts where payment in such currency has been agreed upon, due consideration thus being given in contractual acts to the will of the contracting parties, which must be accepted as binding.

Article XVIII.

¶ The National Executive Power is authorised to place an embargo on the export of the national metallic currency whenever it deems expedient.

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DECREE No. 570 PROHIBITING THE EXPORT OF SPECIE (APRIL 21ST, 1917).

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Whereas Article XVIII of the Law of October 29th, 1914, concerning the national currency, authorises the Executive Authority to place an embargo on the export of the national currency whenever it deems expedient, and whereas, under Article X of the said Law, the national currency and that of the United States of America are alone legal tender,

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I HEREBY RESOLVE :

1. To prohibit, as from the date of the publication of the present Decree, the exportation to foreign countries from all ports of the Republic of specie which is legal tender, namely the minted coinage of the United States and the minted coinage of the Republic of Cuba.

2. Foreign specie which is not legal tender may be exported only from the ports of Havana, Santiago de Cuba, and Cienfuegos.

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**DECREE No. 1508 CONCERNING EXPORTS IN GENERAL ON ACCOUNT
OF THE EUROPEAN WAR (OCTOBER 4TH, 1917).**

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I HEREBY RESOLVE :

That previous application shall be made to the Treasury Department for the necessary authorisation to export or re-export the articles listed below; the department concerned shall reserve the right to grant or refuse the permit requested according to the circumstances and precedents of each individual case.

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specie, gold and silver bullion, paper money.

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DECREE No. 715 (MAY 3RD, 1920).

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I HEREBY RESOLVE :

That the provisions of Decree No. 1508 of October 4th, 1917, shall be abrogated, with the exception of those referring to specie, paper money, gold and silver in ingots, or in any other form, and the shavings, filings, etc., of these metals, the export of which shall continue to be governed by the provisions at present in force.

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CURAÇAO.

[*Translation.*]

**DECREE ESTABLISHING NEW STATUTES FOR THE BANK OF CURAÇAO
OF MAY 30TH, 1907, AS AMENDED IN 1926.**

Article 1.

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Section 3.

1. The Bank shall have the exclusive right to issue bank-notes in the Colony of Curaçao.
2. The form and denomination of the bank-notes to be issued shall be determined by the Board of Directors and shall be notified to the public.
3. The bank-notes shall be exempt from stamp duty.
4. They shall be accepted as means of payment at public offices of the Colony of Curaçao.
5. The bank-notes shall be convertible into current specie on presentation at the head office at Willemstad on any day, Sundays and holidays excepted.
6. The holder of a bank-note shall be entitled only to claim payment by the Bank of the amount specified on the note.
7. The Bank shall not be bound to grant compensation for the loss or destruction of its notes.
8. In the event of suspicion of fraud, or at the written request of the persons interested, the Bank may require persons presenting notes for conversion to give a receipt for them and/or endorse them.
9. The provisions of Articles 209-211 of the Commercial Code of Curaçao shall not apply to bank-notes.
10. The falsification or counterfeiting of bank-notes shall be punishable under Article 95 of the Criminal Code.
11. The extent to which the total sum represented by bank-notes must be permanently covered by specie or bullion, kept at the head office of the Bank at Willemstad, shall be fixed at one-third.
12. In times of emergency, the Governor may, at the request of the Bank, temporarily change the proportion so stipulated.
13. Such a change must be ratified by a Colonial Decree, and the proposal for that purpose must be submitted within three months.
14. If the proposal is not made within that period, or if the proposal is made but is not approved within three months after being submitted, the Board of Directors shall be bound to restore within one month the proportion previously in force.

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**MINT LAW, OF MAY 23RD, 1899 (AMENDED BY THE LAWS
OF JANUARY 2ND, 1900, AND MARCH 27TH, 1915.)**

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Article 3.

The current gulden of Curaçao shall be regarded as being equal to 0.94 of the current Dutch gulden.

Article 4.

Every creditor may demand payment in legal tender.

The following coins shall be legal tender in the colony of Curaçao :

(a) For the payment of any amount :

The 10-gulden (10-florin) piece, and the 5-gulden (5-florin) piece of the Netherlands;

The rix-dollar, gulden (florin) and half-gulden (half-florin) of the Netherlands;

Foreign gold coins, the circulation of which has been authorised by Us in the Colony of Curaçao, at the rates fixed by Us.

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CZECHOSLOVAKIA.

[*Translation.*]

LAW OF APRIL 14TH, 1920¹, AMENDED AND SUPPLEMENTED BY THE LAW OF APRIL 23RD, 1925².

§ 15.

A special law will determine the date on which the Bank shall be required to redeem its notes in specie on presentation at its head office in Prague, as provided for in the Currency Law.

If, within twenty-four hours after presentation, the Bank does not fulfil this obligation and cannot plead *force majeure*, it shall forfeit its privilege (§§ 11 and 12).

The Bank shall be required to convert the bank-notes presented at its branches into specie only to the extent to which the available metal reserve at those branches permits.

§ 28 (VII).

As from the date on which at least two-thirds of the share capital has been subscribed and paid up (§ 46 of the Law concerning the Bank of Issue) until the promulgation of the Currency Law, the Bank must maintain a metallic cover amounting to 20 % of the total value of the bank-notes in circulation plus its sight liabilities, but minus the debt represented by the treasury notes.

This cover shall be increased by 1 % each year for a period of fifteen years.

The proportion between the metallic cover and the notes in circulation shall be calculated each quarter at the average rate of the New York Stock Exchange, based on the quotations for the last fifteen days of the previous quarter.

The cover shall include, in addition to precious metals, of which gold must form at least three-quarters of the value of the whole stock, foreign bank-notes payable at their face value, current specie, foreign exchange on markets whose exchange is not depreciated, consisting either of bills of exchange drawn on the more important money markets in Europe and America, bearing the signature of a reliable banking firm and likewise fulfilling all the conditions with which bills of exchange are required to comply, or of immediately recoverable claims on banking firms of unquestionable solvency, whose head office is situated in one of the more important money markets in Europe or America. Foreign bank-notes payable at their face value, specie and foreign exchange in excess of the minimum amount of the metal cover shall be placed to the commercial (bank) cover account.

§ 29 (VII).

The commercial cover shall consist of securities readily convertible into cash; this cover may be acquired by the Bank only by means of the commercial transactions specified in the Statutes (§ 121).

¹ No. 347 of the Collection of Laws and Decrees. The Articles taken from this Law are indicated in Arabic numerals.

² No. 102 of the Collection of Laws and Decrees. The Articles taken from this Law are indicated in Roman numerals.

§ 30 (VIII).

Should the position as regards the metallic cover stipulated in § 28 deteriorate, the Bank shall be obliged, so long as this state of affairs continues, to pay the Treasury on the difference between the actual circulation and the maximum amount of the admissible note circulation, a tax equivalent to the discount rate :

(a) Plus 1 % if the difference between the actual value of the metal cover and the cover stipulated does not exceed 2 %; and

(b) Plus an additional 1½ % for each further reduction of 2 %, whether the last reduction is as much as 2 % or not.

The rate of this tax must in no case be less than 5 % per annum.

This tax shall be paid *Pro rata temporis* and accounts shall be finally settled at the end of the year on the basis of the sums shown in the returns drawn up in accordance with § 139 of the Law concerning the Bank of Issue¹.

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§ 39.

So long as the State notes are in circulation, the Bank shall be responsible for their circulation; it shall exchange them for other denominations so far as these are available, replace worn-out notes by new ones, arrange for the printing of these new notes without charging the Treasury more than the actual cost of printing, and shall assist in the operations connected with the withdrawal of the said State notes when the time comes. The Bank shall likewise be authorised to confiscate any counterfeit State notes without any indemnity and merely against receipt; in general, it shall be required to treat State notes in the same way as bank-notes, in accordance with § 28.

§ 40.

So long as the State notes which have forced currency remain in circulation, the Bank shall be authorised to deduct the State notes in its possession from the amount shown in the return of the bank-notes in circulation. This reduced note circulation shall serve as a basis for calculating the amount of the cover and determining the tax on the bank-notes.

§ 41.

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(A.III) Until the Bank is obliged by a special law to repay the bank-notes issued by it in cash, in accordance with § 15 of the Law concerning the Bank of Issue, it shall take steps to ensure that the rate of the Czechoslovak crown as compared with foreign gold currency of full value is maintained at the same level as during the past two years.

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§ 49 (a) (XII).

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State notes already in circulation as well as those put into circulation out of the supply taken over from the Banking Office of the Ministry of Finance, shall, from the time the Bank commences its operations, or from the time they were issued, be considered as the Bank's own notes.

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¹ Law of April 14th, 1920.

MONETARY LAW OF NOVEMBER 7TH, 1929 (FINAL REGULATION OF THE CZECHOSLOVAK CURRENCY).

The Permanent Committee of the National Assembly of the Czechoslovak Republic has adopted the following law in conformity with paragraph 54 of the Constitution :

Article 1.

The Czechoslovak crown, being the present monetary unit of the Czechoslovak Republic, shall be equivalent in value to 44.58 milligrammes of pure gold.

Article 2.

The National Bank of Czechoslovakia is required to maintain the exchange rate of its notes at the statutory ratio mentioned above (Article 1) and it may be held responsible for any failure to fulfil this fundamental obligation. (Article 11 of the Law of April 14th, 1920, Collection of Laws and Ordinances No. 347, concerning the Bank of Issue constituted as a joint stock company.)

Article 3.

1. The Bank is required to purchase gold at its head office in Prague, and at its branches which it may designate, at the rate of 1 crown for 44.58 milligrammes, provided that the quantity offered by the seller is not less than 12 kilogrammes of pure gold. When making such purchases, the Bank is authorised to deduct only the assay and minting charges at the rate established by the State Mint. (Article 4, paragraph 6.)

2. At the aforesaid head office and branches (paragraph 1), the Bank is required to redeem its notes, at its own discretion, either in gold (in coins which are legal tender or in bullion) at the rate of 44.58 milligrammes of pure gold for one crown, or in undepreciated foreign gold exchange at the rate of the day on the Prague Stock Exchange; notes offered for redemption must in all cases be equivalent in value to not less than 12 kilogrammes of pure gold. If the Bank does not fulfil this obligation within a period of twenty-four hours from the presentation of the notes, and is unable to show a case of *force majeure*, it shall forfeit its privilege. (Article 12 (b) of the Law on the National Bank.)

3. The Government, after consulting the Bank, shall determine by a special decree the date on which the statutory obligation defined in paragraphs 1 and 2 shall come into force, and likewise, the extent to which the said obligation may, after its coming into force, be temporarily restricted or modified in regard to quantity.

Article 4.

1. Gold coins of 100 crowns, having an alloy of 900 parts of pure gold and 100 parts of copper, shall be minted in accordance with the statutory ratio (article 1).

2. One kilogramme of gold bullion should produce, when minted, 201.89783969 coins of 100 crowns, and one kilogramme of pure gold, 224.81588669 such coins, so that the standard weight (total weight) of one coin of 100 crowns will be 4.9533 grammes including 4.458 grammes of pure gold.

3. Minting operations shall be carried out as accurately as possible; in so far as absolute accuracy cannot be obtained, a remedy of 2 per mille in standard weight (total weight) and 1 per mille in fineness is allowed.

4. The coin of 100 crowns shall bear on one of its faces the coat-of-arms of the Czechoslovak Republic; on the same, or on the other face, according to the general character of the die, shall be indicated the denomination of the coin.

5. Coins of 100 crowns shall be legal tender up to any amount in respect of all payments which may be made in Czechoslovak currency.

6. A Government decree shall determine the design of the coin of 100 crowns, as well as the date on which the Mint shall begin to mint such coins on behalf of the State, and that on which it shall be authorised to mint the said coins without restriction on behalf of individuals. This decree shall also determine the charge payable for minting, which shall not, under any circumstances, exceed 0.3 per cent of the value of the coins.

Article 5.

1. A coin of 100 gold crowns shall, provided its weight has not been diminished by abrasion by more than 5 per mille of its gross statutory weight (Article 4, paragraph 2), be considered as of standard weight, and shall be accepted in payment as such by State and other public offices, as well as by individuals. Nevertheless, if, as the result of normal abrasion, its weight has fallen by more than the remedy allowed, or if, for any cause other than abrasion, the coin has become lighter or has been mutilated or perforated, it shall cease to be legal tender. State and other public offices to which such coins are offered in payment shall withdraw them from circulation by demonetising them, in a conspicuous manner, and shall return them to their holders without compensation.

2. Coins which the said offices find to be counterfeit shall be confiscated in favour of the State and despatched to the State Mint.

3. The Mint, to which defective coins must be forwarded, shall determine whether it is a case of wear due to circulation, or of any other kind of alteration (paragraph 1), or whether it is a case of counterfeiting (paragraph 2).

Article 6.

1. The Bank is required to maintain a gold cover which, at the end of 1929, must be not less than 25 %, at the end of 1930 not less than 30 %, and at the end of 1935 and thereafter, not less than 35 % of the total amount of notes in circulation and other demand liabilities.

2. The ratio between the gold cover and the said circulation shall be calculated every quarter according to the average rate obtaining on the Prague Stock Exchange during the last fortnight of the preceding quarter.

3. Not less than half of the gold cover shall consist of gold coin or bullion. The balance may consist of foreign bank-notes, current coin, and foreign exchange of stable value in the form either of bills of exchange on the leading money markets of Europe and America, bearing the signature of a reliable banking house and conforming in other respects to all the conditions laid down for bills of exchange or of liquid assets in banks of unquestionable solvency connected with the leading money markets of Europe and America.

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Article 8.

When the debt represented by the notes has been reduced to not more than one thousand million Czechoslovak crowns, the Bank may, notwithstanding the principle set forth in paragraph 1 of Article 129 of the Law concerning the National Bank, proceed to discount Treasury bills (Staatswechsel) up to a total of 200 million Czechoslovak crowns, in order to adjust any temporary divergence between Treasury expenditure and receipts. Such temporary credits shall always be refunded *in toto* not later than the end of March in the following year. The drafts in question must bear at least one legalised signature of a credit institution.

Article 9.

The Bank may, in agreement with the Minister of Finance, and without failing in its legal obligations, participate in international financial and economic institutions engaging in monetary transactions.

Article 10.

1. The present Decree shall imply the abrogation of :

(a) Articles 6 and 15 of the Law on the National Bank, the reference to the said Article 15 in Article 12 (b) of this Law being replaced by the reference in the last sentence of paragraph 2 of Article 3 of the present Decree;

(b) Article III, paragraph 1, and Articles VII and XIV of the Law of April 23rd, 1925 (Collection of Laws and Ordinances No. 102) amending and supplementing the Law on the National Bank.

2. Furthermore, the following shall be amended :

(a) Article 129, paragraph 1, of the Law on the National Bank;

(b) Article VIII of the Law of April 23rd, 1925, to the extent that the reference to heading VII occurring therein shall henceforth apply to Article 6 of the present Decree.

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FREE CITY OF DANZIG.

[*Translation.*]

LAW OF NOVEMBER 20TH, 1923, CONCERNING THE CREATION OF A BANK OF ISSUE : ANNEX, ENTITLED "RIGHT OF ISSUING NOTES".

8. The Bank shall be entitled to issue gulden notes expressed in the denominations of 10, 25 and 100 gulden, and of multiples of 10, 25 and 100 gulden, in accordance with the exigencies of its operations. The maximum amount of notes put into circulation may not, subject to the provisions of paragraph 10, exceed 100 gulden per head of the population permanently domiciled in the territory of the Free City of Danzig.

9. The Bank must at all times hold as cover in gold coin, in Bank of England notes, or in claims on the said Bank payable on demand and expressed in pounds sterling, a sum equivalent to not less than one-third of the total note circulation. For this purpose a pound sterling shall be reckoned as equivalent to 25 gulden.

10. Should the bank-notes in circulation exceed the limit stipulated in paragraph 8, the excess issue must be covered in full by gold coin, Bank of England notes, or claims on the said Bank payable on demand and expressed in pounds sterling. A tax of 5 % per annum shall be paid to the Free City of Danzig in respect of such excess issue. The Senate may either wholly or partly waive its right to levy the said tax on bank-notes where the Bank furnishes satisfactory proof that a quantity of notes corresponding to those in excess of the maximum issue (see paragraph 8) is in foreign countries or not in active circulation.

11. The Bank shall be bound to give cheques on its London agents to persons paying in sums of not less than 1,000 gulden in Danzig gulden or in Bank of Danzig notes at its head office in Danzig, whenever the gulden or notes are offered at a rate not higher than 19s. 10d. (19 shillings and 10 pence) for 25 gulden.

The Bank shall further be bound at all times to accept its own notes and coins of the Free City of Danzig at their full face value at all its branch offices. It shall convert coin of the Free City of Danzig into its own notes at full face value. This obligation shall, however, only remain valid so long as the total circulation of silver coin having the fineness stipulated in the Monetary Law does not exceed 30 gulden, and that of nickel and copper coin does not exceed 3 gulden per head of the population permanently domiciled in the territory of the Free City.

Such conversions and payments shall be effected free of charge or tax.

12. Against payments made in pounds sterling at its London Office the Bank shall be bound to deliver cheques in gulden drawn on itself at Danzig. Such cheques shall be for not less than 1,000 gulden and shall be issued at a rate not exceeding £1 0s. 1d. (1 pound 1 penny) for 25 Danzig gulden. Any tax or expenses shall be borne by the party making the payment.

MINT LAW OF NOVEMBER 20TH, 1923.

§ 1.

The State alone enjoys the right to mint coin.

DENMARK.

[Translation.]

LAW No. 157 OF JULY 12TH, 1907, CONCERNING THE
PROLONGATION OF THE PRIVILEGE OF THE NATIONAL BANK.

§ 7.

As regards the cover for the notes issued by the Bank, the following rules shall be applied :

1. The Bank may issue bank-notes for an amount corresponding at any given time to commercial requirements, provided that :

In accordance with the following stipulations, it maintain a metal reserve equivalent to one-half of the nominal value of the notes in circulation, and

That the portion of the said notes not covered by the metal reserve be secured by readily convertible assets which are absolutely safe, to the proportion of 125 kroner of assets to 100 crowns of notes.

2. The metal reserve, which, as stipulated above, must at all times be maintained by the Bank, may include :

(a) Specie which is legal tender, at its nominal value;

(b) Gold bullion and foreign gold coins at the rate of 2,480 kroner per kilogramme of fine gold;

(c) Non-interest-bearing assets of the Bank payable on demand, deposited with the Bank of Norway and the Riksbank of Sweden, provided the debt contracted on the same terms by the National Bank with the two banks mentioned above be deducted from the metal reserve;

(d) Non-interest-bearing assets payable on demand, to the credit of the Bank's transfer account (*Girokonto*) with the German Reichsbank.

The proportion of the metal reserve consisting of gold specie which is legal tender must not be less than one-quarter of the compulsory metal reserve, and the total proportion of the said reserve specified under (a) and (b) must not be less than three-fifths of the compulsory metal reserve.

Gold bullion sent by the Bank to the Mint may be included in the Bank's monetary reserve.

3. Assets which may be employed as security for the proportion of the notes in circulation not covered by the metal reserve shall include, chiefly, acknowledgments of loans on collateral, inland or foreign bills, assets payable on demand deposited with correspondents abroad, public loan bonds included in the ordinary quotation lists at their stock exchange rate, and mortgage bonds covering direct loans on immovable property; these latter securities may not, however, figure in the said assets for a sum exceeding six million kroner.

4. The Bank may not issue notes for a lower denomination than five kroner, nominal value.

5. The Bank is required to exchange on demand at its head-office any notes issued by it for gold specie which is legal tender, at the face value of the notes. Five-kroner notes must not, however, be so exchanged unless they represent a sum corresponding to the value of gold specie which is legal tender. The Bank shall likewise be obliged to purchase from any persons who so request fine gold bullion at the price of 2,480 kroner per kilogramme of fine gold, less $\frac{1}{4}$ % for the cost of minting.

6. The Bank management must communicate each month to the Bank Commissioner (*Bankkommissær*) the proportion between the notes in circulation and the assets and metal reserve which, in accordance with paragraphs 1 and 3 above, are to serve as cover for the notes issued.

7. If, at the time the information specified in paragraph 6 is communicated, the cover for the notes issued by the Bank is lower than the proportion stipulated above, the management must prove to the Bank Commissioner, by the end of the following month at the latest, that the required proportion has been fully made up.

8. In special cases the Bank may be allowed, by Royal Decree and for a period not exceeding two years, to depart from the rules laid down in the present paragraph concerning notes in circulation, on condition that a special tax, the monthly rate of which shall be calculated at 5 % per annum, be paid to the Treasury on the excess notes in circulation at the end of each month.

LAW No. 313 OF DECEMBER 27TH, 1926, CONCERNING THE REDEMPTION
OF THE NOTES OF THE NATIONAL BANK.

§ 1.

The obligation of the National Bank to redeem the notes issued by it in gold on demand shall be renewed as from January 1st, 1927, with the limitation that until the last day of December 1929, the Minister of Industry, Commerce and Shipping shall have authority to stipulate that the Bank shall only be obliged to undertake such exchange when notes are presented to the amount of 28,000 kroner, or in amounts which are multiples thereof, and that the Bank shall have the option of effecting payment by the delivery of the specified sum in Danish gold coin, or in gold bars, or in gold in any other form, at the rate of 2,480 kroner per kilogramme of fine gold.

§ 2.

Any person wishing to buy or sell foreign exchange in advance of the Exchange quotation shall transmit in writing to the Bank a statement of the amount not less than one hour before the quotation is made. When foreign exchange is purchased, a statement of the reason for purchase may be required.

§ 3.

The Minister of Industry, Commerce and Shipping shall have authority to require, for purposes of the yearly examination of the balance of payments with foreign countries (but otherwise only when special circumstances render it necessary), that holders of foreign exchange, including Government securities and debts in foreign currency, shall transmit to the Ministry of Industry, Commerce and Shipping particulars of the amounts of such holdings and debts, whether in Denmark or abroad.

§ 4.

This law shall come into force on January 1st, 1927, and shall lapse on the last day of the year 1929.

**LAW No. 235 OF DECEMBER 23RD, 1929, ON THE CONVERTIBILITY
OF THE NOTES OF THE NATIONAL BANK.**

§ 1.

The Minister of Commerce and Industry shall have authority, until the end of 1930, to stipulate that, without prejudice to the obligation of the National Bank under its charter to redeem its notes in gold, on demand, the Bank shall be required to redeem notes presented only to the amount of 28,000 kroner or in amounts which are multiples thereof, and that the Bank shall have the option of effecting payment in Danish gold coin at face value or in gold bars, or in gold in any other form, at the rate of 2,480 kroner per kg. of fine gold.

§ 2.

The Minister of Industry and Commerce shall have authority to require for the purpose of drawing up the yearly statement of the balance of payments with foreign countries (but otherwise only when special circumstances render it necessary) that any individual, company, or other association having credits or debts payable abroad shall transmit particulars of the amounts of such credits, whether held in Denmark or abroad, and of the amounts of such debts.

§ 3.

The present law will come into force on January 1st, 1930.

LAW OF MAY 23RD, 1873, ON THE MONETARY SYSTEM.

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§ 12.
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Any person who delivers gold to the Government Mint for the purpose of having it minted shall be entitled to receive gold coin in exchange on payment of $\frac{1}{4}\%$ of the value of the amount minted in the case of twenty-krone pieces and $\frac{1}{3}\%$ of such value in the case of ten-krone pieces, to cover the cost of minting. No additional minting fee shall be charged.

Further conditions with regard to the quantity, fineness and other properties of the gold delivered shall be prescribed by a Government decree.

Divisional coinage may only be minted for account of the State Treasury.
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ECUADOR.

[*Translation.*]

CURRENCY LAW (MARCH 4TH, 1927).

Article 1.

The currency unit of the Republic of Ecuador shall be the sucre, which shall contain 0.300983 grammes of fine gold.

Article 2.

Gold coins of 25 and 50 sucres shall be minted. The coin of 25 sucres shall be termed a condor, and that of 50 sucres, 2 condors.

The 25-sucre coin shall weigh 8.35925 grammes, 900/1000ths (nine hundred thousandths) fine, and shall contain 7.528325 grammes of fine gold.

The 50-sucre coin shall weigh 16.7185 grammes, 900/1000ths fine, and shall contain 15.04665 grammes of fine gold.

Copper shall be used as the alloy of all gold coin.

Article 3.

The Central Bank of Ecuador as the agent of the Government shall receive gold for minting in amounts equivalent to 10,000 condors or more at the rate of 0.300983 grammes of fine gold per sucre at the branch, agency or correspondent bank in the country where the Government has its coin minted; it shall have this gold minted in Ecuadorian gold coin of the denominations specified by the Government, and shall send them to Guayaquil or Quito as the Government may direct.

The Bank shall make no charge for this service other than for the cost of minting and any expenses occasioned thereby.

The Minister of Finance shall draw up and officially publish a schedule of the cost of these services.

The Minister of Finance shall authorise the reminting of such amounts of existing Ecuadorian gold coin as he may think fit. The costs of such minting shall be borne by the National Treasury.

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Article 6.

Ecuadorian gold coin, minted in accordance with the present Law, if within the limit of tolerance allowed, shall be accepted up to any amount in payment of any tax or any debt due to the Government and shall be legal tender up to any amount in payment of any kind of public or private debt, except where expressly stipulated otherwise by contract, in accordance with Article 23 of the present Law.

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Article 21.

Foreign currency need not be accepted in payment of public or private debts or other liabilities except by virtue of an Ecuadorian Law or of a contract specifically stipulating it.

Article 22.

From the date on which the Central Bank of Ecuador officially begins its operations, taxes of all kinds, as well as prohibitions and restrictions on the export or import of gold in coin or bars and on the export of silver coin shall be annulled.

Article 23.

From the date on which the Central Bank is officially declared open, payments may be stipulated in specified gold coin, national or foreign, or in gold bars.

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Article 28.

The present Law shall come into force from the date on which it is published in the *Registro Oficial*.¹

ORGANIC LAW OF THE CENTRAL BANK OF ECUADOR
(MARCH 4TH, 1927).

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Article 52.

The Central Bank shall be granted the sole right to issue notes during the fifty years of its existence, and, in that period, neither the Government of the Republic nor any of its political departments nor any other bank or corporation, undertaking, individual or entity shall have the right to issue paper money or any other document which may be circulated as money.

Article 53.

The notes of the Central Bank shall be expressed in gold sucres.

Article 54.

The gold sucre shall contain 0.300933 grammes of fine gold, which is exactly a fifth of the gold dollar of the United States of America, according to its present legal weight.

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Article 56.

The notes of the Central Bank shall be accepted at par up to any amount in payment of all taxes or duties and of all articles sold or services rendered by Government undertakings, and shall be legal tender for any amount in payment of any public or private debt, except the Central Bank's liability in respect of its own notes.

From the date on which the Central Bank is officially declared open under Article 64, payment under the terms of contracts may be stipulated in specified gold coin, national or foreign, or in gold bars.

¹ Published March 19th, 1927.

Article 57.

The notes of the Central Bank shall be converted, on presentation by the bearer, during the Bank's official hours at its head office at Quito or at any of its principal branches, and the payments so made may be effected in any of the following forms, as the Bank may prefer :

(a) Ecuadorian gold coin, minted on the basis of the gold sucre, as provided by Article 54 of the present Law and by the Currency Law of March 4th, 1927;

(b) Gold bars approximately 100% fine and having a weight of not less than 500 grammes each, which shall be calculated in accordance with their content of fine gold;

(c) Gold coin of the United States of America, of legal weight, at the rate of 5 sucres to the dollar, or British pounds sterling of legal weight at the rate of 24.3325 sucres to the pound;

(d) Drafts at sight or at three days' notice on New York or London, payable in gold and drawn on funds deposited in banks of established repute situated in those cities. The Bank may charge on such drafts a premium on the parity of the gold sucre with the American dollar or the pound sterling, such premium not to exceed the amount required to cover the costs of conveying gold bars in sufficient quantities from Quito to the commercial centre on which the draft is drawn. The maximum premium chargeable shall be determined by the Board of Directors of the Bank, with the approval of the Superintendent of Banks, and shall be publicly announced. The rate of this premium may not be changed without the consent of at least seven directors and the approval of the Superintendent of Banks.

Article 58.

At the minor branches of the Bank, notes shall be converted at sight in the same way as at the principal branches and the head office, or, if the Bank so prefers, in drafts at sight and at par on the Bank's head office at Quito or one of its principal branches.

Article 59.

In order to prevent an increase in the value of the sucre above the gold value assigned to it in Article 54 of the present Law and in the above-mentioned Currency Law, the Central Bank shall give its own notes at sight at its head office at Quito or at its principal branches in exchange for :

(a) Ecuadorian gold coin at par, having the fine gold content prescribed in Article 54 of the present Law and in the above-mentioned Currency Law, provided that the weight of such coin has not been reduced by wear or by any other cause below the limit fixed by law;

(b) Ecuadorian gold coin of previous issues at a value proportionate to its fine gold content according to the law which authorised its minting, provided that it is not worn beyond the legal tolerance;

(c) Other gold coin or gold bars of a fineness of approximately 100% and weighing not less than 500 grammes, at the rate of 1 sucre per 0.300933 grammes of fine gold;

(d) Deposits credited to the account of the Central Bank, payable at sight in gold at the rate of 0.300933 grammes of fine gold per sucre at any of the banks in New York or London at which the Central Bank keeps a deposit account forming part of its legal reserve. For thus transferring notes to Ecuador against deposits of gold abroad, the Bank shall charge a premium on the gold parity of the sucre with the American dollar or the pound sterling, such premium not to exceed the amount required to cover the costs of sending gold bars in sufficient quantities from the said commercial centres to Quito. The said maximum premium shall be determined by the Board of Directors of the Central Bank, with the approval of the Superintendent of Banks, and shall be publicly announced. It shall not be changed without the consent of at least seven of the members of the Board and the approval of the Superintendent of Banks.

Article 60.

If the Bank fails to convert its notes at sight, as provided in Articles 57 and 58, it shall be declared “bankrupt through suspension of payments in gold”, and the Superintendent of Banks shall at once proceed to liquidate it in accordance with the law.

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Article 64.

On the entry-into-force of the present law, former banks of issue shall, if they have not already done so, transfer to the Central Office, in part compensation for the liability assumed by the latter in respect of notes issued by the said banks, bonds of the Ecuadorian Government (mortgage bonds excepted), up to the amount necessary to bring up to 100%, including the metal reserve transferred in accordance with the law, the assets covering the notes in circulation for which the Central Office has assumed liability under the law of June 23rd, 1926, instituting the said Office. If the amount of the State debt to the bank of issue is not sufficient to make up the aforesaid cover, the bank in question shall, in the circumstances already provided for, transfer to the Central Office a sufficient amount of securities to make good the deficiency. Such securities shall be selected by the Minister of Finance.

Banks which have not complied with the provisions of the preceding paragraph shall, on the debt being recognised by the Government, be immediately liquidated by the Superintendent of Banks; the Central Office's claim in part compensation for the liability assumed by it in respect of notes of former Banks of issue shall have a prior lien on the whole assets of the said Banks.

In completion of this operation, the Government shall, if it has not already done so, transfer to the Central Office for account of the Commercial and Agricultural Bank, the Certificate A and Certificate B referred to in the Convention of May 1st, 1926, concluded between the Government and the said Bank.

The President of the Republic shall fix and announce the date on which the Central Bank shall be officially opened. As from such date, the Central Bank shall take over all the liabilities of the Central Office simultaneously with all the assets; when this has been legally effected, the Central Office shall cease to exist.

Article 65.

As soon as the notes of the Central Bank are ready, the latter shall exchange them at par for all notes offered to it and put into circulation by former banks of issue, and for notes issued by the Central Office similarly presented to it. These notes of former banks of issue and of the Central Office shall have the same right of exchange for gold or gold drafts as the notes of the Central Bank itself, in accordance with Articles 57 and 58.

Article 66.

Should it appear, during the operations of exchange and withdrawal from circulation of the said notes of former banks, that the latter have surreptitiously and illegally issued a greater number than that for which the Central Bank has assumed responsibility under the provisions of Article 64, the said banks shall be liable to the Central Bank for the excess notes surreptitiously and illegally issued on the same conditions and within the same limits as in the case of issues taken over by the Central Bank under Article 64, without prejudice to any other civil or penal proceedings which may be instituted in this respect.

Article 67.

As soon as notes of the Central Bank are available in sufficient quantity, the notes of former banks and of the Central Office which have been accepted by the Central Bank on deposit or in

exchange for notes of the latter Bank or for any other reason shall be withdrawn from circulation and immediately cancelled and destroyed.

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Article 78.

The Central Bank of Ecuador shall hold a gold reserve equal to 50% of the value of its notes in circulation—that is to say, the notes not in its possession—plus its deposits.

The reserve shall consist of the following :

- (a) Gold minted or in bars and kept in the Bank's vaults;
- (b) Gold minted or in bars deposited in first-class banks abroad;
- (c) Deposits in first-class banks in New York or London payable at sight or at three days' notice in gold.

The proportion in which the reserve may consist of the above-mentioned three forms shall be left to the discretion of the Board of Directors.

Article 79.

A gold reserve of 50%, as stipulated in the previous article, shall also be required for the notes in circulation of the former banks of issue and of the Central Office for the conversion and withdrawal of which the Central Bank is responsible, as provided in Article 64.

Article 80.

Whenever the Bank's gold reserve, constituted in accordance with Articles 78 and 79, falls below the normal minimum of 50%, the Bank shall be subject to the following taxes which shall be imposed by the Superintendent of Banks and shall be paid to the Government; if the reserve falls below 50%, but not below 45%, the Bank shall pay a tax of 3% per annum on the difference; if the reserve falls below 45%, but not below 40%, the tax shall be 6% per annum on the amount below 50%; if it falls below 40%, but not below 35%, the tax shall be 12% on the total amount below 50%; if it falls below 35%, the tax shall be 15% on the total amount below 50% and a further tax of 1½% per annum shall be payable for each 1% or fraction thereof by which the percentage of the reserve falls below 35%.

Article 81.

The discount rate of the Central Bank may not be less than 7% per annum when the Bank's reserve has remained continuously for a week or more below the normal minimum of 50% of the combined amount of the Bank's notes in circulation and those deposited with it.

Article 82.

Whenever the Bank has to pay a tax on account of a deficiency in its reserve, as provided in Article 80, there shall be added to its discount rate a percentage at least equal to half the rate of the tax for the deficiency. In the circumstances referred to in the previous article, the Bank's discount rate shall be increased by the amount required to raise it to 7% per annum, plus a percentage at least equal to half the rate of the tax for the deficiency in the reserve.

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EGYPT.

[*Translation.*]

STATUTES OF THE NATIONAL BANK OF EGYPT.

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Article 4.

1. The purpose of the National Bank of Egypt is to :

1. Issue notes repayable to bearer on demand :

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Article 5.

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The amount of notes in circulation payable to bearer on demand shall always be covered :

1. To the extent of at least one-half, by gold¹.

2. As regards the other half, by securities calculated at a rate not exceeding the rate of the day and in no case over par, such securities to be the property of the Bank and to be chosen and designated by the Government alone. Nevertheless, the Government shall not in any case and at any time incur any liability as a result of the exercise of this right.

In the absence of the whole or of part of these securities, the gold bullion and coin contained in the special fund for the service of the bank-note issue shall be increased proportionately so that the notes in circulation are always fully covered.

The reserve in gold and securities required under the present article constitutes the special guarantee of the holders of bank-notes and, in the event of the Bank being wound up, this reserve shall be used solely to effect the withdrawal of the notes.

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¹ On October 30th, 1916, the Government authorised the issue department of the Bank to hold British Treasury Bills in lieu of gold.

ESTONIA.

[Official Translation.]

STATUTES OF THE EESTI PANK.

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Article 3.

To ensure the convertibility of the Eesti Pank notes :

1. The Bank, on the requisition of any person who makes a demand or offer to that effect at the Head Office of the Bank at Tallinn, shall be bound to sell to, or to purchase from, such person in exchange for legal tender currency of Estonia, at the rates defined in sub-sections 2 and 3 of this article, respectively, the legal tender currency of such foreign gold standard country or countries as may be notified in the *State Advertiser*, for immediate delivery in such foreign country or countries.

Provided that no person shall be entitled to demand or offer an amount of foreign currency of less value than 5,000 kroon of legal tender money of Estonia.

2. For the purpose of determining the rate applicable to the *sale* of foreign currency under this article, 2,480 kroon shall be deemed to be equivalent to such sum in that foreign currency as is required to purchase 1,000 grammes of fine gold in that foreign country, at the rate at which the principal currency authority of that country is bound by law to sell gold in exchange for currency, after deduction from such sum of an amount, to be fixed by the Bank, representing the normal cost per 1,000 grammes of transferring gold bullion in bulk from Tallinn to that foreign country, including interest and insurance on its value during transit.

3. For the purpose of determining the rate applicable to the *purchase* of foreign currency under this article, 2,480 kroon shall be deemed to be equivalent to such sum in that foreign currency as is realised by the sale of 1,000 grammes of fine gold in that foreign country, at the rate at which the principal currency authority is bound by law to purchase gold in exchange for currency, after addition to such sum of an amount, to be fixed by the Bank, representing the normal cost per 1,000 grammes of transferring gold bullion in bulk from that foreign country to Tallinn, including interest and insurance on its value during transit.

4. On the date on which the provisions of this Law become operative, the Bank shall notify in the *State Advertiser* at least one foreign gold standard country for the purposes set forth in sub-section 1 of this article. The Bank shall similarly notify any additions or changes of the foreign gold standard countries to which sub-section 1 of this article is to apply. The Bank shall also from time to time determine the equivalent rates in accordance with the provisions of sub-sections 2 and 3, and shall notify in the *State Advertiser* the rates so determined.

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Article 58.

The Bank shall maintain a reserve of not less than 40 per cent of the amount of its notes in circulation and demand liabilities.

Article 59.

The term “reserve” in the above article shall include only :

(a) Gold coin and bullion owned by the Bank, either in the custody of the Bank or deposited in other Central Banks and earmarked for the Eesti Pank's account, or in any mint, or in transit to or from the Eesti Pank;

(b) Foreign exchange in the unrestricted ownership of the Eesti Pank, provided that, in practice and in fact, such exchange shall at all times be convertible on demand into exportable gold at the centre where the exchange is held.

For the purposes of this article, and subject always to the preceding paragraph (b), the term "foreign exchange" shall be taken to mean :

(1) net balances standing to the credit of the Eesti Pank at the Central Note Issuing Bank or other bank of a foreign country,

(2) bills of exchange payable in a foreign currency, maturing within not more than three months, and bearing at least two good signatures,

(3) Treasury Bills, Treasury Certificates of Indebtedness, or similar obligations of a foreign Government of a maturity not exceeding six months, less any liabilities in such foreign exchange.

Article 60.

At the request of the Bank, the Government may suspend the operation of Article 58, subject to the payment by the Bank to the Government of a progressive tax.

The suspension may be granted for a period of not more than thirty days in the first instance, and may be renewed for further periods not exceeding fifteen days at a time.

The tax shall be levied on the amount by which the note circulation and demand liabilities of the Bank exceeds the maximum sum which would be admissible under Article 58.

The tax shall be calculated and paid daily at the following rates :

1½% per annum above the published minimum current discount rate of the Eesti Pank for three months' bills if the Reserve, while less than 40 per cent., is not less than 35 per cent.

2% per annum if the reserve, while less than 35 per cent, is not less than 30 per cent.

3% if the reserve is less than 30 per cent.

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NOTIFICATION OF THE EESTI PANK DATED DECEMBER 30TH, 1927.

As required by Article 3 of the New Statutes (*State Advertiser*, No. 48, 1927), the Bank makes known the following :

1. The foreign country selected under Article 3 (1) of the Statutes, whose legal tender currency the Eesti Pank shall be bound to sell or purchase in Tallinn on a demand or offer to that effect, in exchange for legal tender currency of Estonia, for immediate delivery in such foreign country and at the rates defined below, is England.

2. For the purpose herebefore mentioned, the minimum buying rate of one pound sterling is fixed at 18 krone 10 cents, and the maximum selling rate at 18 krone 34 cents.

[*Translation.*]

NOTIFICATION OF THE EESTI PANK DATED MAY 20TH, 1930.

As required by Article 3 of the Statutes (*State Adviser*, No. 48, 1927), the Bank notifies that, in modification of the minimum buying and the maximum selling rates of the pound sterling published in the *State Adviser* No. 1 of 1928, the following rates shall come into force :

- (1) As the minimum buying rate—18 kronas 8 cents for one pound sterling, and
 - (2) As the maximum selling rate—18 kronas 28 cents for one pound sterling.
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FINLAND.

[*Official Translation.*]

MONETARY LAW OF DECEMBER 21st, 1925.

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Article 10.

Every person submitting not less than 40 grammes of gold to the Finnish Mint for coining is entitled, after the weight and fineness of the gold have been examined, to receive from the Bank of Finland gold coin of a value corresponding to that of the fine gold, after one-third per cent of the aforesaid value has been deducted for covering the cost of coining. For such coining no other charges or taxes may be made.

Gold may freely be imported into the country and exported thence.

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Article 12.

Besides gold coin, everyone shall be compelled to accept Bank of Finland notes as legal tender.

The Bank of Finland is compelled to redeem its notes in the manner provided for in the regulations of the Bank.

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REGULATIONS OF THE BANK OF FINLAND, OF DECEMBER 21st, 1925.

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Article 6.

The amount of the Bank's notes in circulation may not exceed one thousand two hundred million marks in excess of the aggregate amount of the gold reserve of the Bank and the undisputed balances of the Bank with its foreign correspondents.

In case the amount of the Bank's notes in circulation should exceed the total amount of the assets specified in clause 1, the cover for the notes must consist of :

- Bills payable abroad in foreign currency;
- Foreign bonds quoted on foreign Stock Exchanges;
- Interest coupons in foreign currency which have fallen due for payment;
- Foreign bank-notes; or
- Inland bills falling due not later than within three months' time and for the payment of which at least two trustworthy persons or firms are responsible.

The assets of the Bank in foreign currency, specified in clauses 1 and 2, may not be booked higher than at rates of exchange corresponding to the Stock Exchange quotations in countries with gold currency, converted into Finnish marks at gold parity, bonds, however, not higher than their nominal value.

The drafts of the Bank in Finnish currency and other liabilities payable on demand, as well as the undrawn balances of advances on cash credit and overdrafts, shall equally be considered as notes in circulation.

Article 7.

The gold reserve shall be considered as consisting of gold coin and bullion of the Bank, either here or in course of transport for the account of the Bank.

The gold reserve shall be maintained at not less than three hundred million marks.

Article 8.

The Bank is obliged to redeem its notes on demand either :

In Finnish gold coin;

In gold ingots; or

In cheques made out in foreign gold currency and payable at sight at the current rate of exchange, which may not exceed the parity by more than one per cent.

It is at the option of the Bank which of these methods of redemption provided for in clause 1 shall be employed in each case.

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FRANCE.

[*Translation.*]

MONETARY LAW OF JUNE 25TH, 1928.

Article 1.

The provisions of Article 3 of the Law of August 5th, 1914, which order, temporarily, the forced circulation of the notes of the Bank of France and the Bank of Algeria, are repealed.

Article 2.

The franc, the monetary unit of France, is composed of 65.5 milligrammes of gold of a fineness of nine hundred thousandths.

This definition is not applicable to international payments which, before the promulgation of the present Law, were stipulated to be in gold francs.

Article 3.

The Bank of France shall be bound to make provision for the conversion of its notes into gold to bearer and at sight.

It shall have the option of so doing either by redeeming its notes in gold currency accepted as legal tender, or by exchanging them for gold at the rate of 65.5 milligrammes of gold of the fineness of nine hundred thousandths per franc.

It shall have the option of effecting such redemption or exchange exclusively at its central registered office and in respect of minimum quantities to be fixed by agreement between the Minister of Finance and the Bank of France.

Provision shall be made for the conversion under like conditions of notes of the Bank of Algeria, by agreement between the Minister of Finance and the Bank of Algeria.

The Bank of France shall be bound to purchase gold of the fineness of nine hundred thousandths at the pay-desks of its central registered office and of such subsidiary offices as it may select, without deducting interest. It shall have the right to deduct from the price paid to the seller the cost of minting at the tariff established by the Paris Mint. The costs of assaying shall be borne by the seller.

Article 4.

The Bank of France shall be bound to keep a cash balance in gold bullion and coin equal to not less than thirty-five per cent (35%) of the total sum of the bearer notes in circulation and the current credit accounts.

All previous legal provisions fixing a maximum for the sum of Bank of France notes in circulation are hereby abrogated.

Article 5.

There will be made by the Administration of the Mint one-hundred-franc gold coins of a fineness of nine hundred thousandths.

The legal tolerance as regards the fineness is fixed at one thousandth above or below. The legal tolerance as regards the weight is fixed at two thousandths above or below.

These coins will be legal tender for an unlimited amount.

Article 6.

A decree of the Council of Ministers will fix the date after which the Administration of the Mint will resume the free coinage of gold for private persons. This decree will determine the conditions under which gold will be accepted for minting on the basis laid down in Article 2, and will fix the coinage fees.

Until this decree is published, the Administration of the Mint may coin gold only for the account of the Bank of France, and the fee shall be 40 francs per kilogramme of gold of a fineness of nine hundred thousandths.

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Article 12.

The Law of the 17 Germinal of the year XI concerning the making and verifying of coins is repealed.

Are and remain repealed :

The Law of November 15th, 1915, prohibiting the export of gold bullion and of gold and silver coin;

The Law of April 12th, 1916, prohibiting the export of silver bullion;

The Decrees of April 1st, 1915, and December 2nd, 1921, prohibiting the export of nickel and copper coins as well as those of aluminium-bronze;

The Laws of February 12th, 1916, and October 16th, 1919, suppressing the traffic in the national moneys;

The Law of October 20th, 1919, prohibiting the melting and the demonitisation of the national coin;

The provisions of the Law of April 3rd, 1918, and of the succeeding Laws relating to the prohibition on the export of French bank-notes over a certain sum;

The Law of August 7th, 1926, concerning the steps preparatory to the stabilisation of the currency, as well as all other Laws whose provisions are contrary to the present text.

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FRENCH WEST AFRICA.
(French West Africa, French Equatorial Africa,
The Cameroons, French Togoland.)

[*Translation.*]

**LAW OF JANUARY 29TH, 1929, PROVIDING FOR THE RENEWAL
OF THE PRIVILEGE OF NOTE-ISSUE ACCORDED TO THE BANK
OF WEST AFRICA.**

Article 1.

The privilege accorded to the Bank of West Africa by decree of June 29th, 1901, as extended by successive decrees dating from 1921 to 1928, is hereby extended for a period of twenty years as from the promulgation of the present law, in so far as concerns the territories coming within the jurisdiction of the general Governments of West Africa, Equatorial Africa, the Cameroons and Togoland.

Article 2.

Notes of the Bank of West Africa shall be accepted as legal tender by the public offices and by private individuals within the colonies and territories under French mandate where the Bank is established.

They shall enjoy forced circulation as long as the notes of the Bank of France enjoy forced circulation.

When the period of forced circulation expires they shall be repayable at sight and to bearer, in money which is legal tender in France, by the branches and agencies appointed by agreement between the Minister of the Colonies and the Bank.

Article 3.

The sum total of the notes in circulation must always be covered, to at least one-third, by a reserve as defined in the annexed Statutes.

Article 4.

The notes put in circulation by the Bank of West Africa shall not exceed the sum of one thousand million francs.

Notwithstanding, should the Board of Directors of the Bank consider that the authorised note circulation is insufficient for the requirements of the territories to be served, it shall send a substantiated request to the Minister of the Colonies, who shall take action on the said request in agreement with the Minister of Finance.

The maximum of the note issue may be increased by two hundred million francs by a decree signed by these two Ministers.

If, at later dates, one or more additional increases should be necessary, they may be authorised by the same procedure.

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STATUTES OF THE BANK OF WEST AFRICA.

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Article 15, Paragraph 1.

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The sum total of the notes in circulation must always be covered to at least one-third by a reserve consisting of gold on the basis of the monetary definition of the franc; of coin which is legal tender in France; of sight deposits in currencies convertible into gold, calculated at par; or of a credit held in a special non-interest-bearing account with the Treasury.

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GERMANY.

[*Official Translation.*]

THE BANK LAW OF AUGUST 30TH, 1924.

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Article 22.

The Reichsbank is under obligation to take bar gold at the fixed rate of 1,392 Reichsmarks for one pound fine in exchange against its notes.

The Bank is authorised to cause such bar gold to be examined and assayed by any technical experts to be appointed by the Bank in that behalf, at the vendor's expense.

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Article 28.

The Bank shall be compelled to keep at all times in respect of its notes in circulation :

(a) A cover of at least 40% in gold or "Devisen" (gold cover). This cover must at least as to three-quarters consist of gold.

The expression "gold" within the meaning of this direction connotes bar gold as well as German or foreign gold coins (the pound fine being calculated at 1,392 Reichsmarks) in so far as such gold is in the possession of any office of the Bank or deposited with any foreign central note-issuing bank in a manner to be at all times at the free disposal of the Reichsbank.

"Devisen" are bank-notes, or bills of exchange having not more than fourteen days to run, cheques and claims due from day to day payable in foreign currency by a bank of known solvency in foreign financial centres. They are to be taken at their gold value for the time being;

(b) For the remaining amount, discounted bills of exchange or cheques satisfying the requirements specified in Article 21.

Article 29.

In exceptional circumstances the cover referred to in Article 28 under (a) may be reduced below 40% on the proposal of the Managing Board by a resolution of the General Board; such a resolution of the General Board requires unanimity except as to one vote.

In the case of such a reduction of the cover extending over more than one "Bank return week", the Bank has to pay to the Reich in respect of the amount by which the prescribed cover of 40% falls short a percentual note tax computed in accordance with the following directions :

In the case of a cover between 37 and 40% : 3% per annum;

In the case of a cover between 35 and 37% : 5% per annum;

In the case of a cover between 33½ and 35% : 8% per annum;

In the case of a cover of less than 33½% : 8% per annum, with the addition of 1% per annum in respect of each 1% by which the percentage of the reserve falls short of 33½%.

The rate of discount must in any case in which the cover during a bank return week or during a longer period remains uninterruptedly below 40% amount to at least 5%.

Whenever a note tax is payable the rate of discount shall be raised by at least one-third of the percentage of the tax which is payable, and this increase shall be in addition to the increase of the said rates of discount required for the purpose of satisfying the requirements of the third paragraph of this section.

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Article 31.

The Bank is under obligation to pay its notes to the bearer thereof :

- (a) At its principal office in Berlin immediately on presentation;
- (b) At any branch establishment in so far as its available cash and its cash requirements admit of such payment.

Payment at the Bank's option may be made :

- 1. In German gold coins of the weight and fineness authorised by law for the time being at their par value;
 - 2. In gold bars in pieces of not less than 1,000 Reichsmarks and not more than 35,000 Reichsmarks, at their value in pure gold in German gold coins of the weight and fineness authorised by law for the time being;
 - 3. In cheques or orders to pay in foreign currency equivalent in value to the market value of the currency concerned in the matter as expressed in gold. The "Satzung" enumerates the foreign banks on which the cheques or orders to pay may be drawn. The Reichsbank may in such a case charge a commission. The said commission may, however, not exceed the amount representing the share apportionable to the amount paid in the cost of transmission of larger sums of gold to the place of business of the foreign bank concerned in the matter, together with interest.
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Article 35.

In addition to the cover of its note issue provided for in Article 28, the Bank shall at all times hold a special cover of at least 40% of the liabilities falling due from day to day; this cover must consist of deposits at call (money due from day to day) in Germany or abroad, cheques on other banks, bills of exchange having not more than thirty days to run or claims recoverable at call arising from debts covered by pledges.

The requirements as to special cover provided for above shall not apply to the account opened by virtue of Article 26 (reparations account).

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Article 52¹.

The date for the coming into force of this Law shall be determined by the Reich Government. The coming into force of the rules of Article 31 requires in addition concurrent resolutions of the Reichsbank Managing Board and of the General Board. Such resolutions are to be published in the *Reichsgesetzblatt*. Up to that date the rules contained in Article 2 of the Law of August 4th, 1914 (*Reichsgesetzblatt*, page 847) concerning Reichskassenscheine and bank-notes, shall remain in force, in so far as it relates to Reichsbank notes.

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¹ In pursuance of this article the Managing Board and the General Board of the Reichsbank concurrently decided, on April 15th, 1930, to put into force Article 31 of the Bank Act (decision published on April 17th, 1930; see *Reichsgesetzblatt* II, page 69). This decision has taken effect as from May 17th, 1930. See Decree of May 19th, 1930; *Reichsgesetzblatt* II, page 776).

STATUTES OF THE REICHSBANK.

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Article 27.

The cheques and orders for payment referred to in Article 31 (2), No. 3, of the Bank Law must be issued on a foreign central note-issuing bank.

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[*Translation.*]

THE MINT LAW OF AUGUST 30TH, 1924.

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Article 7.

The coins will be minted for the account of the Reich at the mints of those federal States which are willing to undertake the work. The minting procedure will be under the supervision of the Reich.

Private persons are entitled to have coins of 20 Reichsmarks minted on their own account at these mints in so far as the latter are not employed on Reich work. The charge to be made for such minting will be fixed by the Reich Minister of Finance with the approval of the Reichsrat but it may not exceed 14 Reichsmarks per kilogramme of fine gold. The difference between this charge and the remuneration paid to the mint for its minting operations accrues to the Reich Exchequer; it must be the same for all German mints. The mints may not claim any larger payment for minting than the Reich Exchequer grants for the minting of coins of 20 Reichsmarks.

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GREAT BRITAIN

COINAGE ACT, 1870.

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Article 8.

Where any person brings to the Mint ¹ any gold bullion, such bullion shall be assayed and coined, and delivered out to such person, without any charge for such assay or coining, or for waste in coinage.

Provided that :

(1) If the fitness of the whole of the bullion so brought to the Mint is such that it cannot be brought to the standard fineness under this Act of the coin to be coined thereout, without refining some portion of it, the Master of the Mint may refuse to receive, assay, or coin such bullion;

(2) Where the bullion so brought to the Mint is finer than the standard fineness under this Act of the coin to be coined thereout, there shall be delivered to the person bringing the same such additional amount of coin as is proportionate to such superior fineness.

No undue preference shall be shown to any person under this section, and every person shall have priority according to the time at which he brought such bullion to the Mint.

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Article 11.

It shall be lawful for Her Majesty, with the advice of the Privy Council, from time to time by Proclamation to do all or any of the following things, namely :

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8. To direct the establishment of any branch of the Mint in any British possession, and impose a charge for the coinage of gold thereat; determine the application of such charge; and determine the extent to which such branch is to be deemed part of the Mint, and to which coins issued therefrom are to be current and be a legal tender, and to be deemed to be issued from the Mint.

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¹ The Mint means the Royal Mint, England.

AN ACT TO REGULATE THE ISSUE OF BANK-NOTES; JULY 19, 1844.

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Article 4.

And be it enacted, That from and after the Thirty-first Day of August One thousand eight hundred and forty-four all Persons shall be entitled to demand from the Issue Department of the Bank of England Bank of England notes in exchange for Gold Bullion, at the Rate of Three Pounds Seventeen Shillings and Ninepence per Ounce of Standard Gold: Provided always, that the said Governor and Company shall in all Cases be entitled to require such Gold Bullion to be melted and assayed by Persons approved by the said Governor and Company, at the Expense of the Parties tendering such Gold Bullion.

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THE GOLD STANDARD ACT OF MAY 13TH, 1925.

Article 1.

1. Unless and until His Majesty by Proclamation otherwise directs :

(a) The Bank of England, notwithstanding anything in any Act, shall not be bound to pay any note of the Bank (in this Act referred to as "a bank-note") in legal coin within the meaning of Section 6 of the Bank of England Act, 1833, and bank-notes shall not cease to be legal tender by reason that the Bank do not continue to pay bank-notes in such legal coin :

(b) Subsection 3 of Section 1 of the Currency and Bank-notes Act 1914 (which provides that the holder of a currency note shall be entitled to obtain payment for the note at its face value in gold coin) shall cease to have effect :

(c) Section 8 of the Coinage Act, 1870 (which entitles any person bringing gold bullion to the Mint to have it assayed, coined and delivered to him), shall, except as respects gold bullion brought to the Mint by the Bank of England, cease to have effect.

2. So long as the preceding subsection remains in force, the Bank of England shall be bound to sell to any person who makes a demand in that behalf at the head office of the Bank during the office hours of the Bank, and pays the purchase price in any legal tender, gold bullion at the price of three pounds, seventeen shillings and tenpence halfpenny per ounce troy of gold of the standard of fineness prescribed for gold coin by the Coinage Act, 1870, but only in the form of bars containing approximately four hundred ounces troy of fine gold.

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THE CURRENCY AND BANK-NOTES ACT OF JULY 2ND, 1928.

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Article 2.

1. Subject to the provisions of this Act the Bank shall issue bank-notes up to the amount representing the gold coin and gold bullion for the time being in the issue department, and shall in addition issue bank-notes to the amount of two hundred and sixty million pounds in excess of the amount first mentioned in this section, and the issue of notes which the Bank are by or under this Act required or authorised to make in excess of the said first-mentioned amount is in this Act referred to as "the fiduciary note issue".

2. The Treasury may at any time on being requested by the Bank, direct that the amount of the fiduciary note issue shall for such period as may be determined by the Treasury, after consultation with the Bank, be reduced by such amount as may be so determined.

Article 3.

1. In addition to the gold coin and bullion for the time being in the issue department, the Bank shall from time to time appropriate to and hold in the issue department securities of an amount in value sufficient to cover the fiduciary note issue for the time being.

2. The securities to be held as aforesaid may include silver coin to an amount not exceeding five and one-half million pounds.

3. The Bank shall from time to time give to the Treasury such information as the Treasury may require with respect to the securities held in the issue department, but shall not be required to include any of the said securities in the account to be taken pursuant to section five of the Bank of England Act, 1819.

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Article 11.

1. With a view to the concentration of the gold reserves and to the securing of economy in the use of gold, the following provisions of this section shall have effect so long as subsection 1 of Section 1 of the Gold Standard Act, 1925, remains in force.

2. Any person in the United Kingdom owning any gold coin or bullion to an amount exceeding ten thousand pounds in value shall, on being required so to do by notice in writing from the Bank, forthwith furnish to the Bank in writing particulars of the gold coin and bullion owned by that person, and shall, if so required by the Bank, sell to the Bank the whole or any part of the said coin or bullion, other than any part thereof which is *bona fide* held for immediate export or which is *bona fide* required for industrial purposes, on payment therefor by the Bank, in the case of coin, of the nominal value thereof, and in the case of bullion, at the rate fixed in Section 4 of the Bank Charter Act, 1844.

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Final Item of Schedule

Repeal of paragraph (b) of subsection 1 of Section 1 of the Gold Standard Act of 1925.

GREECE.

[*Official Translation.*]

STATUTES OF THE BANK OF GREECE.

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Article 4.

The first duty of the Bank shall be to ensure that the gold value of its notes remains stable. To this end it shall exercise control within the limits of its Statutes over currency and credit in Greece.

Article 5.

To ensure the convertibility of its notes :

1. The Bank, on the requisition of any person who makes a demand or offer to that effect at the Head Office of the Bank at Athens, shall be bound to sell to, or to purchase from, such person in exchange for legal-tender currency of Greece, at the rates defined in Sections 2 and 8 of this article, respectively, the legal-tender currency of such foreign gold-standard country, or countries, as is by law and in practice convertible into exportable gold and such as may be notified in the *Official Gazette* for immediate delivery in such country or countries.

Provided that no person shall be entitled to demand or offer an amount of foreign currency of less value than 10,000 drachmæ of legal-tender money of Greece.

2. For the purpose of determining the rate applicable to the *sale* of foreign currency under this article, the amount in drachmæ which represents 1,000 grammes of fine gold in accordance with the stabilisation rate shall be deemed to be equivalent to such sum in that foreign currency as is required to purchase 1,000 grammes of fine gold in that foreign country, at the rate at which the principal currency authority of that country is bound by law to sell gold in exchange for currency, after deduction from such sum of an amount to be fixed by the Bank, representing the normal cost per 1,000 grammes of transferring gold bullion in bulk from Athens to that foreign country, including interest and insurance on its value during transit.

3. For the purpose of determining the rate applicable to the *purchase* of foreign currency under this article, the amount in drachmæ which represents 1,000 grammes of fine gold in accordance with the stabilisation rate shall be deemed to be equivalent to such sum in that foreign currency as is realised by the sale of 1,000 grammes of fine gold in that foreign country at the rate at which the principal currency authority is bound by law to purchase gold in exchange for currency, after addition to such sum of an amount to be fixed by the Bank representing the normal cost per 1,000 grammes of transferring gold bullion in bulk from that foreign country to Athens, including interest and insurance on its value during transit.

4. On the date on which the provisions of this Law become operative, the Bank shall notify in the *Official Gazette* at least one foreign gold-standard country for the purposes set forth in Section 1 of this article. The Bank shall similarly notify any additions or changes of the foreign gold-standard countries to which Section 1 of this article is to apply. The Bank shall also from time to time determine the equivalent rates in accordance with the provisions of Sections 2 and 8, and shall notify in the *Official Gazette* the rates so determined.

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Article 61.

The Bank shall maintain a Reserve of not less than 40% of the amount of its notes in circulation and other demand liabilities. By bank-notes in circulation are to be understood all bank-notes issued to the public and not returned to the offices of the Bank.

Article 62.

The term "Reserve" in the preceding Article shall include only :

(a) Gold coin and bullion in the unrestricted ownership of the Bank, and either in the custody of the Bank or deposited in another Central Bank, or in any Mint, or in transit;

(b) Net foreign gold exchange in the unrestricted ownership of the Bank, provided that it be either :

(i) On a country the currency of which by law and in practice is convertible on demand at a fixed price into exportable gold, or

(ii) On a country the currency of which by law and in practice is convertible on demand at a fixed price into foreign exchange as defined in (i).

For the purpose of this Article, and subject always to the preceding paragraph (b), the term "net foreign gold exchange" shall be taken to mean :

1. Balances standing to the credit of the Bank at the Central Bank of a foreign country;

2. Bills of exchange payable in a foreign currency maturing within three months and bearing at least two good signatures;

3. Treasury bills, Treasury certificates of indebtedness or similar obligations of a foreign Government maturing within three months;
less any liabilities in foreign exchange.

In calculating the amount of the Reserve, should it be found that the liabilities in foreign exchange exceed the assets enumerated in the paragraphs numbered 1, 2 and 3 of this article, the excess shall be deducted from the other assets of the Reserve.

Temporary Provision.—During the first five years of the existence of the Bank of Greece, the Bank may hold in its Reserve the gold bonds of the Hellenic State referred to in Article 3 ("Assets (b) ") of the Agreement to which these Statutes are annexed.

Article 63.

At the request of the Bank, the Government may suspend the operation of Article 61 subject to the payment by the Bank to the Government of a tax.

Suspension may be granted for a period of not more than thirty days in the first instance and may be renewed for further periods not exceeding fifteen days at a time. The tax shall be levied on the amount by which the note circulation and other demand liabilities of the Bank exceed the maximum sum which would be admissible under Article 61.

The tax shall be calculated on the daily amount of the excess at the following rates :

1½% per annum above the published minimum current discount rate of the Bank for three-months bills if the Reserve, while less than 40% is not less than 35%.

2% per annum above such minimum current discount rate if the Reserve, while less than 35% is not less than 30%.

3% above such minimum current discount rate if the Reserve is less than 30%.

DECREE LAW OF MAY 12TH, 1928.

Regard being had to Article 5 of the Statutes of the Bank of Greece and to the Decree-Law of May 12th, 1928, whereby the fine gold content of the drachma is fixed, we make the following stipulations :

(a) Such foreign exchange, as the Head Office of the Bank of Greece is bound to buy and sell in virtue of the terms of Article 5, paragraph 1, of its Statutes, shall be foreign exchange on London, of which the rate is fixed hereunder.

(b) The mint par of the pound sterling, in relation to the fine gold content of the drachma, as defined by the aforesaid decrec, shall be the following :

One pound sterling = Drs. 375.

The Bank is obliged to buy and sell the said foreign exchange at the following rates :

Selling rate.—The rate of parity of the exchange on London as stated hereabove, increased at the maximum by the cost of the transfer of gold from Athens to London (gold point), amounting to 6.67 per thousand, or Drs. 2.50.

Buying rate.—The rate of parity of the exchange on London, after deduction of the cost of the transfer of gold from London to Athens (gold point), amounting to 6.67 per thousand, or Drs. 2.50.

DECREE LAW OF NOVEMBER 10TH, 1927.

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Article 17.

The National Bank of Greece and, whenever it will be created, the Bank of Greece, is entitled to export gold abroad.

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GUATEMALA.

[*Translation.*]

LEGISLATIVE DECREE No. 1379 (MAY 2ND, 1925): MONETARY AND CONVERSION LAW.

Article 1.

The unit of the monetary system of the Republic of Guatemala shall be called the “quetzal”, represented by one gramme, fifty centigrammes, four thousand six hundred and sixty-five millionths of a gramme of pure gold (1.504665 milligrammes) divided into one hundred centavos. A quetzal is equivalent to sixty pesos of the current coinage.

Article 2.

The coins minted shall represent the following amounts :

Gold coins : Twenty quetzals, or one thousand two hundred pesos; Ten quetzals, or six hundred pesos; Five quetzals, or three hundred pesos.

Silver coins : One quetzal, or sixty pesos; Half-quetzal, or thirty pesos; Quarter-quetzal, or fifteen pesos.

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Article 3.

Gold coins shall be composed of 900/1000ths (nine hundred thousandths) of pure gold and 100/1000ths (one hundred thousandths) of copper.

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Article 8.

(See below—Decree No. 970 : Article 1.)

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Article 11.

The obligation to issue silver coin in exchange for gold shall lapse when, on account of either the rate of foreign exchange or the price of silver, the operation would involve the State in loss. In this case, due notice in advance of such suspension shall be given through the *Official Journal*. In all other cases, the above obligation shall remain in force during the period and on the conditions laid down in the Government regulations.

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Article 14.

(See below—Decree No. 970 : Article 4.)

Article 15.

The import and export of silver and gold coin, domestic and foreign, is unrestricted. In neither case shall customs duties be levied.

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Article 23.

Immediately after the entry into force of the present Law, a statement shall be drawn up at each of the existing Banks of Issue showing, in accordance with their books, the actual amount of each Bank's circulation. These statements shall be signed by the Minister of Finance, the Banks Inspection Department, the Board of Directors and the Manager of the Bank in question and shall be published in the *Official Journal*.

Article 24.

After the date of publication of the present Law, existing Banks of Issue may not issue new notes on any pretext, not even in exchange for damaged notes.

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Article 38.

As soon as a reserve has been formed and the operations referred to in the preceding articles carried out, the Regulating Office (*Caja Reguladora*) shall be reorganised as a Bank of Issue under the title of "Central Bank of Guatemala", to operate in accordance with the provisions of the Banking Law. The total note circulation of existing Banks of Issue, together with that of the Regulating Office, shall be considered part of the liabilities of the Central Bank which shall substitute its own notes as soon as possible for the notes referred to. The Central Bank shall be organised in accordance with the provisions of the special law which will be promulgated for this purpose; this law shall contain the provisions necessary to enable the Central Bank to become a private bank of issue, the shares of which shall be subscribed only by the State in so far as private persons fail to subscribe the amount equivalent to 20 % of the circulation referred to in Article 46.

If, before the case referred to in the preceding paragraph arises, the Federal Executive grants a concession to private capitalists to form a Central Bank of Guatemala, he may make a special contract or grant such Bank the right, under the concession, to perform the functions of a Regulating Office in the manner best calculated to put an end as soon as possible to the forced currency of the notes which are at present in circulation.

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Article 46.

As soon as the Reserve Fund of the Monetary Circulation is formed, in accordance with the provisions of this Chapter, and as soon as the Regulating Office, or the Central Bank of Guatemala, if already constituted, has accumulated an amount equal to at least 20 % of the total circulation of the country, the notes shall cease to have forced currency and shall be redeemed by the Central Bank of Guatemala, or by the Regulating Office if the Central Bank has not yet been set up. Redemption shall be made at sight, to bearer and at par, either in quetzals or United States of America dollars or sight drafts on the United States, in the latter case a maximum commission of $\frac{1}{2}$ % shall be charged.

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PRESIDENTIAL DECREE No. 1406 (MAY 21st, 1925) : BANK LAW.

Article 1.

For the purposes of the present Law, the following shall be considered credit institutions :

- (1) The Central Bank of Guatemala and any other Banks of Issue created in accordance with the present Law; etc.¹
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Article 4.

The principal operations of the Banks of Issue, in respect of liabilities, shall consist in the issuing of notes of specific denominations, repayable at par, at sight and to bearer, and of accepting money on current account or deposits for a maximum period of thirty days, both repayable by cheques or in any other manner.

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Article 10.

The constitution, organisation and functions of the Central Bank of Guatemala shall be regulated by the present Law, so far as the latter does not conflict with the charter privileges of this institution as granted by the Federal Executive.

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Article 16.

The note circulation ² may not exceed five times the amount of the paid up capital, plus the reserve fund referred to in Article 15, paragraph 8. Deposits payable at sight or within a maximum period of thirty days may not exceed five times the amount of the above-mentioned capital and reserve fund.

Article 17.

The note issue of the Central Bank and of the Banks of Issue shall be covered as follows :

- (a) At least 40 % by the gold bullion reserve deposited in the Bank's vaults or in first-class credit institutions abroad approved by the Government, the latter to be entitled at any moment to satisfy itself of the existence of the reserve, which must be immediately realisable. At least one-third of this reserve must be in gold deposited in the vaults of the Bank in question, at Guatemala;
- (b) The remaining 60 % by the Bank's assets referred to in Article 40 of this Law.

Article 18.

Deposits on current account or for a maximum period of thirty days must be covered in the following manner :

- (a) At least 25 % by a reserve in the form laid down in paragraph (a) of the preceding article;
- (b) The remaining 75 % by the Bank's assets referred to in Article 40 of the present Law.

¹ The other classes of banks indicated are not Banks of Issue.

² Of each Bank of Issue.

Article 19.

One half of the reserves which a Bank of Issue other than the Central Bank is bound to keep in its vaults, together with the proportion which it is entitled to keep abroad, may be deposited in the vaults of the said Central Bank.

Article 20.

For the purposes of the present Law, the following shall be considered as deposits :

(a) All sums deposited with a Bank to be held at the disposal of the parties concerned, payable on sight or within a maximum period of thirty days;

(b) All sums which, for any reason, may be demanded from the Bank within a maximum period of thirty days, irrespective of the origin of the Bank's obligation.

The fact that a Bank pays interest on the aforesaid sums, as well as on the sums mentioned in the preceding paragraph, shall not deprive them of the character of a deposit for the purposes of the present Law.

As regards the deposits referred to in paragraph 2 of the present article, the metallic reserve stipulated by Article 18, paragraph (a) may be reduced to 10 %, on condition that the remaining 15 % is composed of absolutely safe advances repayable within not more than thirty days.

Article 21.

Credits liable to withdrawal by the Bank without previous notice shall not be considered as deposits.

Article 22.

Similarly, so-called " confidential " deposits—that is, deposits kept in safes or in closed and sealed packets, which the Bank cannot employ or count in its assets, shall not be considered as deposits.

Article 23.

When a Bank contracts an obligation to deliver, within a period not exceeding thirty days, foreign sight drafts in favour of a specific individual, it shall be obliged to maintain the reserve referred to in Article 18.

Article 24.

In computing the value of the reserve, gold bars held by the Bank shall be taken at one quetzal per 1.50465 grammes of pure gold.

Article 25.

When the note circulation exceeds any of the limits laid down in the preceding articles, no fresh funds shall be placed until the circulation has been reduced to within the said limits. When deposits payable at sight or within a maximum period of thirty days exceed the limits laid down by the present Law, no fresh deposit operations not assisting a return to the legal limit may be engaged in until this object has been achieved. So long as the limit is exceeded, the institution shall pay a tax of 1 ‰ per day on the amount in excess; if it does not suspend the placing of funds, it shall be fined by the Banks Inspection Department from one hundred to fifteen hundred quetzals for each infringement; the above without prejudice to the loss of privilege declared in accordance with the provisions of Article 166.

Article 26.

The circulation of the notes of the Central Bank and of the other banks of issue shall be voluntary and the public shall not be considered bound to accept them. An exception to this shall be made in the case laid down in Article 46 of the Monetary Law.

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Article 31.

Banks of Issue, including the Central Bank, shall be bound to exchange at their head offices all notes which they themselves have put into circulation, whether through their head office or their branches, such exchange to be made immediately on presentation of the note. Branches shall only be bound to redeem notes which they themselves put into circulation; for this purpose, such notes shall bear a stamp showing the name of the branch. Redemption shall be made at the Bank's option in quetzals or dollars, in accordance with Legislative Decree No. 1379. The Central Bank may, at its discretion, redeem its notes by sight drafts on New York, New Orleans, San Francisco (California) and on other foreign places authorised by the Ministry of Finance. Drafts shall be for not less than one hundred quetzals, unless otherwise agreed; the Central Bank may charge a commission up to 0.50 quetzals per hundred quetzals.

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Article 40.

That portion of the note issue and of the deposits which need not be covered by a gold reserve shall be guaranteed by one or more of the following assets :

- (1) Gold or silver bars, the latter being valued at the New York rate for this metal;
- (2) Bank-notes or bonds previously approved by the Ministry of Finance;
- (3) Domestic or foreign gold coins, the latter at the value of their metallic content;
- (4) Silver and aluminium-bronze coins;
- (5) Mortgage bonds and other securities issued by the Banks referred to in the present Law;
- (6) Shares and debentures issued by national companies, provided that such securities are quoted on a first-class Stock Exchange, that dividends have been paid on the former and interest on the latter in a perfectly regular manner in both cases, for at least five years prior to their acquisition by the Bank, and provided that, for guarantee purposes, such securities together do not exceed 10 % of the note issue and deposits. Shares and debentures issued by credit institutions formed under the present Law may be accepted under the terms of this paragraph without requiring to be quoted as above;
- (7) Loans, discounts and credits on current account with the guarantees mentioned in the present Law;
- (8) Bills of exchange on foreign countries actually discounted by the Bank.

Article 41.

The other operations carried on by the Banks of Issue shall not be considered as guaranteeing the note issue and the deposits payable at sight or within a maximum period of thirty days.

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**PRESIDENTIAL DECREE CREATING THE CENTRAL BANK OF GUATEMALA
(JUNE 30TH, 1926).**

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Article 3.

The term of the concession of the Central Bank of Guatemala shall be thirty years and may be extended in the form and conditions established by law; but the exclusive right of issue shall be limited to ten years, without prejudice to the dispositions of Article 72 of the Monetary Law.

During this period of ten years, the Government binds itself not to grant any other concession for the issue of notes, vouchers or documents of any other description that contain a promise to pay money at sight and to bearer.

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Article 26.

The Central Bank shall have two departments : First, the Issue and Discount Department; secondly, the Mortgage Loan Department.

Article 27.

The issue of notes of the Central Bank, as well as of the notes of the Occidente, Americano, Internacional, Agricola Hipotecario, Colombiano and Guatemala Banks and those of the Exchange Regulating Office, the redemption of which shall be undertaken by the Central Bank, shall be guaranteed in the following manner :

(a) At least 40 % by a reserve of gold deposited in the safes of the Bank or in deposits at sight and payable in gold in first class institutions of credit abroad. The Government shall have the right to verify at any time the existence of the reserve and of its realisability. A third part, at least, of the said 40 % shall consist of gold coin in the safes of the Bank, of which 10 % may consist of one-quetzal, half-quetzal or quarter-quetzal silver coins.

(b) For the rest, the regulations stated in Chapter II, Sections II and III, of the Banking Law (Presidential Decree No. 1406) shall be applicable to the Department of Issue and Discount of the Bank.

Article 28.

The Central Bank shall be obliged to exchange its own notes, those of the Occidente, Americano, Internacional, Agricola Hipotecario, Colombiano and Guatemala Banks and those issued by the Exchange Regulating Office, in the manner prescribed in Article 31 of the Banking Law.

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Article 29.

The deposits at sight or at thirty days' call shall be guaranteed as follows :

(a) At least 25 % by a gold reserve which shall be constituted in accordance with the stipulations laid down in paragraph (a) of Article 27;

(b) The remaining 75 % by active operations as stipulated in the Banking Law.

The reserve of 25 % against the deposits at sight or at 30 days' call shall be held in the currency in which they are payable or the equivalent in gold quetzals or United States of America Currency.

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DECREE No. 970 (FEBRUARY 24TH, 1928).

Article 1.

Article 8 of the Monetary and Conversion Law (Legislative Decree No. 1379) is amended as follows :

“ The minting of gold coin shall be effected solely by the State, which shall mint all gold offered to it at the rate of five quetzals or three hundred pesos for each 7.523325 grammes of pure gold. Silver and copper coins shall be minted solely by the State as public requirements demand, and without private persons being entitled to offer such metal for minting. A Government decree shall determine the tariff of charges for minting, which shall provide solely for the cost thereof, without any profit to the State and without any tax of any kind being imposed.”

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Article 4.

Article 14 of the Monetary and Conversion Law (Legislative Decree No. 1379) is amended as follows :

“ The inhabitants of the Republic shall be entitled to exchange silver and copper coins, as well as other divisional coins of legal currency in actual circulation for gold pieces, provided that such exchange is requested at the offices appointed for this purpose by the Government for quantities of not less than twenty quetzals of silver and five quetzals of other divisional coins or exact multiples thereof.”

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HUNGARY.

[*Official Translation.*]

STATUTES OF THE NATIONAL BANK OF HUNGARY.

Article 1.

The National Bank of Hungary is a joint-stock company established for the purpose of regulating the circulation of money in the territory of Hungary, of facilitating compensation of payments and of taking measures for the utilisation of the available capital, subject only to the provisions of these present Statutes. Its main function, however, will be to prepare the way for the introduction of payments in specie (redemption of bank-notes in specie) by forming a reserve of gold bullion and of claims payable in stable currencies (drafts and bills), and to ensure the continuance of specie payments once they have been introduced by law.

The Bank shall by all the means at its disposal provide that until the legal regulation of the question of the redemption in specie of the paper money (bank-notes), the value of its notes expressed in the rate of exchange of gold drafts (bills) or of such as are drawn on countries possessing a stable currency, shall remain unchanged.

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Article 80.

During the period of the validity of the Charter, the Bank shall have the exclusive right to issue bank-notes within the limits prescribed by Article 85.

The amounts for which the several groups of bank-notes shall be issued shall be fixed by the Board of Directors of the Bank in agreement with the Minister of Finance.

Should the State provide coined money for general circulation as legal tender, the Bank shall be required, by desire of the Minister of Finance, to withdraw from circulation a quantity of bank-notes corresponding in amount to such coined money.

After the resumption of payments in specie (Article 83) the texts of the bank-notes must contain a statement to the effect that the Bank will at any time pay the bearers of its notes legal metal currency in exchange for the same.

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Article 83.

The Bank must provide for the accumulation of such a gold reserve that, as soon as the new relation of the currency unit to gold shall have been established and the debt due by the State to the Bank shall have been reduced to 80 million gold crowns, payments in specie shall be resumable.

Should the Government or the Board of Directors of the Bank be of opinion that the moment for the resumption of payments in specie has arrived, the Government must enter into negotiations on this matter with the Bank.

If an agreement has been made in this matter between the Government and the Bank, the Government must without delay submit to the legislature a Bill for the resumption of payments in specie.

Until the resumption of payments in specie under the terms of the foregoing paragraphs, the Bank shall not be obliged to redeem its notes against metal currency.

Article 84.

If, after the resumption of payments in specie, the Bank fail to comply within twenty-four hours with the obligation to redeem against metal currency the notes presented for redemption at its Head Office in Budapest, such failure shall involve the forfeiture of the privilege of the Charter, unless there be any question of a direct impediment caused by a *force majeure* and recognised as such by the Government.

Article 85.

For the period from the payment in full of the share capital until the introduction of payments in specie, the following provisions shall be in force with regard to the security for the bank-notes issued :

Of the whole amount of bank-notes in circulation—such amount to include the addition of all liabilities immediately due for payment, but to exclude the sum represented by the debt of the State (Articles 53 and 54)—during the first five years twenty per cent, during the second five years twenty-four per cent, during the succeeding five years twenty-eight per cent, and during the remainder of the said period thirty-three and one-third per cent must be secured by the metal reserve, the latter to include foreign currencies and drafts.

Until the legal relation of the value of the currency shall have been fixed, in calculating the proportion of security required, the value of the metal reserve and of the stock of foreign currencies and drafts shall be calculated at the close of each quarter—such calculation to be in force for the following quarter—on the basis of the average rate of exchange on the Budapest Exchange during the fifteen days immediately preceding the date of such calculation.

The term “foreign currencies” shall be taken to mean foreign notes which are not subject to extraordinary fluctuations of the rates of exchange: the term “foreign drafts” shall be taken to mean bills of exchange expressed as payable in currencies not subject to extraordinary fluctuations of the rates of exchange which are payable in any of the leading money markets of Europe or America, which involve an obligation of payment on the part of some banking house of unquestionable solvency, and which in other respects are in conformity with the provisions of Article 58.

Claims and cash deposits which are available at any time and are held in institutes of unquestionable solvency in the leading money markets of Europe and America, may also be treated in the same way as foreign drafts.

Until the resumption of payments in specie, a sum of 25 million gold crowns must at all times be held in claims or deposits of the kind referred to in the leading markets of Europe and America. This amount may not be decreased except by a decision of the Board of Directors approved by not less than eight Directors and the Governor of the Bank.

Article 86.

The whole amount of the notes in circulation—such amount to include the addition of all liabilities immediately due for payment, should the same exceed the debt of the State—must in any case be secured by the following assets :

1. The stock of bullion and coins;
2. The bills of exchange (warrants issued by public warehouses) discounted as provided by the Statutes;
3. Such foreign securities (bills of exchange, claims or cash deposits) or foreign currencies as under Article 85 may not be included in the metal reserves (Article 101);
4. Such bills of exchange payable in Hungary and expressed in terms of foreign currency as are in other respects in conformity with the provisions of Article 58.

During the transition period of five years from the date of the commencement of the activity of the Bank—though not after the date of the resumption of payments in specie—loans granted on movable property (Article 64) as provided in the Statutes may also be included in the security for the notes in circulation. On the expiration of the said transition period the Minister of

Finance may ordain that loans on movable property may no longer serve as security for the notes.

No assets other than those enumerated above may serve as security for the notes in circulation.

Article 87.

After the resumption of payments in specie not less than one third of the total amount of the notes in circulation—in addition to all the liabilities immediately due for payment—must be secured by the stock (reserves) specified in Article 85. The remainder of the notes in circulation shall be secured by the assets specified in Article 86 and by the remaining sum still unpaid of the debt due by the State (Articles 53 and 54).

Article 88.

If during the period between the paying up in full of the share capital and the resumption of payments in specie, the amount of the bank-notes in circulation—inclusive of the liabilities immediately due for payment but exclusive of the debt due by the State—exceed the maximum limit calculated on the basis of the ratio of security specified in Article 85, a bank-note tax on the excess amount shall be paid to the State.

The scale of taxation shall be the discount rate of interest in force at the particular period, plus :

(a) One per cent, if the ratio of security (Article 85) amount to less than twenty (twenty-four, or twenty-eight, or thirty-three and one-third respectively) per cent, but to more than eighteen (twenty-two, or twenty-five and a-half, or thirty respectively) per cent, and

(b) A further one and a-half per cent, for every further two per cent, or fraction of two per cent, by which the ratio of security shall fall below eighteen (twenty-two, or twenty-five and a-half, or thirty respectively) per cent.

The scale of taxation however must not be at the rate of less than five per cent.

Article 89.

After the resumption of payments in specie the Bank shall be required to pay bank-note tax as soon as the ratios of security (Article 87) shall have fallen below forty per cent.

The scale of taxation shall be the discount rate of interest in force at the particular period, plus :

1. One per cent, if the ratio of security (Article 87) be less than forty per cent but more than thirty-three and one-third per cent, and

2. A further one and a-half per cent for every further three per cent, or fraction of three per cent, by which the ratio of security falls below thirty-three and one-third per cent.

The scale of taxation however must not be at the rate of less than five per cent.

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Article 92.

After the new proportion of values referred to in Article 83 has been established by law, the Bank shall be required to exchange at any time when desired, at its Head Office in Budapest, gold bullion for bank-notes in accordance with the legally established standard of coinage.

The Bank shall be entitled on such occasions to have the bullion assayed and sorted at the cost of the person presenting the same by a technical organ nominated by the Bank and to deduct the minting and other charges fixed and made public by the Government.

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ACT XXXV OF 1925, CONCERNING THE ESTABLISHMENT OF THE PENGÖ CURRENCY AND THE PROVISIONS CONNECTED THEREWITH.

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Paragraph 7.

Gold coins shall be coined for the account of the State and for that of private persons. The mint charges will be fixed by the Finance Minister by an ordinance; these charges shall not exceed 0.3 per cent of the value for the coining of 20-pengö coins and 0.5 per cent of the value for the coining of 10-pengö coins.

DECREE No. 6832/P. M. (NOVEMBER 20TH, 1925), OF THE MINISTER OF FINANCE¹ CONCERNING THE EXECUTION OF PARAGRAPH 7 OF ACT XXXV OF 1925.

For the purpose of putting into execution Paragraph 7 of Act XXXV of 1925 concerning the establishment of the pengö currency and the provisions connected therewith, it is decreed as follows :

Article 1.

The minting fees to be charged by the Royal Hungarian Mint for the minting of gold coins for the account of private persons shall be :

- (1) Ten pengö in the case of 20-pengö coins per kilogramme of fine gold;
- (2) Fifteen pengö in the case of 10-pengö coins per kilogramme of fine gold. The minting fees to be charged for the minting of gold coins for the account of the National Bank of Hungary shall be, regardless of the denomination of the coins, 6 pengö per kilogramme of fine gold.

Article 2.

In virtue of Act XXXV of 1925 and of Article 92 of its Statutes, the National Bank of Hungary is obliged at all times to exchange gold bars for its notes at the price of 3,794 pengö per kilogramme of fine gold.

Article 3.

The Royal Hungarian Mint is obliged to coin 20- and 10-pengö coins for account of private persons out of gold bars and coins delivered by them, against payment of the minting fee fixed in Paragraph 1.

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¹ Published in No. 264 of the *Official Gazette* on November 21st, 1925.

Article 6.

The date beginning from which the Royal Hungarian Mint shall be obliged to undertake the coinage of pengő gold coins for the account of private persons will be fixed by another decree ¹.

Article 7.

The present decree enters into force on the day of its promulgation.

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¹ This Decree has not yet been issued.

ICELAND.

[Official Translation.]

ACT No. 10, OF APRIL 15TH, 1928, ON THE NATIONAL BANK OF ICELAND.

Article 1.

The National Bank of Iceland (*Landsbanki Islands*) is an independent state-owned institution under a special government, as further defined in Section V of this Act. In the Scandinavian tongues, the name of the Bank shall be *Islands Nationalbank*, in English *The National Bank of Iceland*, and in other languages its name shall be corresponding to these.

The Bank operates through three financially independent departments, which shall be called respectively the Note Bank, the Savings Department, and the Mortgage Department. The reserve funds and other assets, loans, deposits, book-keeping and accounts of each department shall be kept entirely separate.

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Article 6.

The Note Bank shall have the sole right of issuing bank-notes, or other circulating media capable of taking the place of minted coin and passing from man to man instead of bank-notes, this with the sole limitation imposed by Act No. 6 of May 31st, 1921, respecting the issuing of notes by the *Islands-banki*, the increase of its share capital, etc.

The minister in charge of banking matters shall, upon the advice of the Board of Governors, decide the shape and appearance of notes issued by the Bank and shall issue a proclamation concerning this matter in so far as may be necessary. No note issued by the Bank may be of less nominal value than five krónur.

Notes issued by the Bank shall be legal tender to the Treasury and to other public funds in this country and be legal tender from man to man at their full nominal value.

Whosoever may counterfeit or fraudulently reproduce notes issued by the Bank shall suffer the punishment prescribed by Article 266 of the Penal Code of June 25th, 1869. That offence has been committed when the note has been counterfeited or fraudulently reproduced even though the note has not been put in circulation.

Article 7.

Should it be so demanded, the Note Bank shall pay to bearer for notes of its own issue their nominal value in legal tender current gold coin, provided the amount of the notes corresponds to a whole denomination of gold coins, and in change should the amount be less. The Bank shall buy, from whomsoever that wishes, pure unminted gold at 2,480 krónur per kilogramme, less $\frac{1}{2}$ % for minting expenses.

Article 8.

With such restrictions as specified below, the Note Bank issues notes as required to satisfy the need for circulating medium, provided the Bank :

(1) Possesses gold reserves amounting to $\frac{3}{4}$ of the note circulation at each time. The gold reserves may, however, never fall below 2 million krónur.

(2) Has safe and easily convertible assets in security of that part of the note circulation which is not secured by the gold reserves, to the extent of 125 krónur against every 100 krónur in notes.

Article 9.

As gold reserves shall be counted :

- (a) Legal current gold coin;
- (b) Unminted gold and foreign gold coin, amounting to not less than 2,480 krónur for each kilogramme of pure gold;
- (c) Deposits, payable on demand, in foreign banks, deemed by the Board of Governors as thoroughly safe and sanctioned by the Minister—less corresponding debts of the Bank, yet not exceeding $\frac{1}{4}$ of the total gold reserves.

The gold reserves of the Bank specified under (a) and (b) shall always be ready in the bank. But gold proved to be under way to here from abroad may be counted to this part of the gold reserves, though not in excess of 300,000 krónur at a time.

Article 10.

To assets held in security of the note issue, in so far as not covered by the gold reserves, belong :

- (a) Easily convertible public bonds at selling rate;
- (b) Other bonds, not shares, listed by the Exchanges;
- (c) Bills of exchange, whether payable in this country or abroad;
- (d) Deposits in foreign banks, due for payment within six months at the utmost, less corresponding debts of the Bank to foreign banks;
- (e) Bonds issued in respect of loans against pledges in stocks of the class specified under (a) and (b) of the present article.

Article 11.

At regular fortnightly intervals, the Note Bank shall furnish to the minister in charge of banking matters a report on the note circulation as well as the gold reserves and the assets held, according to Article 10, in security of the notes. These reports shall forthwith be published.

Should a report show a greater note circulation than is covered by legally prescribed securities, the government of the Bank shall rectify this within four weeks from the date of the report at the latest.

Article 12.

The Board of Governors and the Managing Directors shall be responsible for seeing that the note circulation never exceeds the actual needs of commerce. The Minister in charge of banking matters may forbid the increase of note issue, if he deems it to be in excess of the actual needs of commerce.

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Article 64.

The provisions of Article 7 come into force when the Athling decides. Until then, the Minister may exempt the Bank from the provisions of Article 9 (c), stipulating that amounts standing to the Bank's credit abroad shall not exceed one-quarter of the total of the gold reserves. The provisions of Article 26, respecting the reserve fund, shall come into force at the same time.

Article 65.

In addition to the notes covered by the gold reserves, the Bank shall be entitled to issue an amount of up to 1,000,000 krónur. This note issue shall be reduced by 100,000 krónur before November 1st, 1929, and thereafter by the same amount annually.

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INDIA.

THE PAPER CURRENCY ACT OF 1923.

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Article 18.

1. The provisions contained in this section shall not come into operation until such day (hereinafter referred to as the appointed day) as the Governor-General in Council may direct in this behalf.

2. A Reserve shall be maintained for the satisfaction and discharge of the currency notes in circulation and all such notes shall be deemed to have been issued on the credit of the revenues of India as well as on that of the Reserve.

3. The Reserve shall consist of two parts, namely :

- (a) The metallic Reserve, and
- (b) The securities Reserve.

4. The metallic Reserve shall consist of the total amount represented by the sovereigns, half-sovereigns, rupees, silver half-rupees, and gold and silver bullion for the time being held on that account by the Secretary of State for India in Council and by the Governor-General in Council; provided that no amount of gold coin and bullion held by the Secretary of State in the United Kingdom in excess of fifty millions of rupees in value reckoned at the rate hereinafter provided for shall be included in the metallic Reserve.

5. The securities Reserve shall consist of the securities which are for the time being held on that account by the Secretary of State for India in Council and on behalf of the Governor-General in Council; provided that :

(a) No securities held by the Secretary of State for India in Council, other than securities of the United Kingdom, the date of maturity of which is not more than one year from the date of their purchase, shall be included in the securities Reserve; and

(b) The securities held on behalf of the Governor-General in Council shall be securities of the Government of India and shall not exceed in amount two hundred millions of rupees, of which an amount of not more than one hundred and twenty millions of rupees may be securities created by the Government of India and issued to the Controller (such securities being hereinafter referred to as created securities).

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7. Save as hereinafter provided in Section 20, the amount of currency notes in circulation at any time shall not exceed the amount of the metallic Reserve together with the amount of the securities Reserve; provided that it shall not be lawful for the Governor-General in Council to direct the issue of currency notes, if or to the extent that such issue would have the effect of raising the amount of notes in circulation to an amount in excess of twice the amount for the time being of the metallic Reserve.

8. For the purpose of determining :

(a) The amount of the metallic Reserve, gold bullion shall be reckoned at the rate of one rupee for 11.30016 grains troy of fine gold, and silver bullion at the price in rupees at which it was purchased;

(b) The amount of the securities Reserve, purchased securities shall be reckoned at the price at which they were purchased and created securities at the market price of similar securities on the date of their issue.

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Article 19.

1. As soon as convenient after the relation of the amount of the currency notes in circulation to the amount of the Reserve has been brought into conformity with subsections 2 to 8 of Section 18 and the metallic Reserve is not less than half the amount of currency notes in circulation, the Governor-General in Council shall fix the appointed day.

2. The provisions contained in this section shall be in force until the appointed day, but shall, as from that day, be deemed to be repealed.

3. Save as hereinafter provided in Section 20, the whole amount of currency notes at any time in circulation shall not exceed the total amount represented by the sovereigns, half-sovereigns, rupees, silver half-rupees and gold bullion, and the sum expended in the purchase of the silver bullion and securities, which are for the time being held by the Secretary of State for India in Council and by the Governor-General in Council as a reserve to provide for the satisfaction and discharge of the said notes, and the said notes shall be deemed to have been issued on the credit of the revenues of India as well as on the securities of the said coin, bullion and securities :

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4. The securities mentioned in subsection 3 shall be securities of the United Kingdom of Great Britain and Ireland or of the Government of India, or securities issued by the Secretary of State for India in Council under the authority of Act of Parliament and charged on the revenues of India, and the value of them at the price at which they are purchased shall not exceed eight hundred and fifty millions of rupees.

5. If the Secretary of State for India in Council consents to hold in gold coin or bullion or in silver bullion or in securities of the kinds mentioned in sub-section (4) the equivalent in value to notes issued in India as a reserve to secure the payment of such notes, the Governor-General in Council may from time to time direct that currency notes shall be issued to an amount equal to the value of the coin, bullion and securities so held by the Secretary of State for India in Council.

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Article 20.

Notwithstanding anything to the contrary in Section 18 or Section 19, the Governor-General in Council may authorise the Controller to issue currency notes to an amount in all not exceeding fifty millions of rupees against bills of exchange which will mature within ninety days from the date of such issue and satisfy such other conditions as the Governor-General in Council may, by general or special order, prescribe. Currency notes so issued shall be in addition to those against which the Reserve is held and shall be deemed to have been issued on the credit of such bills and of the revenues of India and shall, when presented, be paid from such revenues.

Article 21.

Subject to the provisions of Sections 18 and 19, the Governor-General in Council may at any time, if he thinks it expedient, convert any of the coin or bullion for the time being held by him as a part of the Reserve into coin of any of the kinds mentioned in Section 11 or into gold or silver bullion.

Article 22.

Notwithstanding anything to the contrary in this Act, any coin or bullion which is held by or on behalf of the Secretary of State for India in Council in the United Kingdom or under the control of the Government of any part of His Majesty's Dominions for the purpose of coinage for, or transmission to, the Governor-General in Council and any coin or bullion which is in course of transmission from the Secretary of State for India in Council or the Government of any part

of His Majesty's Dominions to the Governor-General in Council and any coin or bullion which is in the course of transmission from the Governor-General in Council to the Secretary of State for India in Council or the Government of any part of His Majesty's Dominions shall be deemed, during the period such coin or bullion is so held or is so in course of transmission, to be part of the Reserve referred to in Sections 18 and 19.

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THE PAPER CURRENCY AMENDMENT ACT OF 1923.

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Article 4.

Whereas it is expedient further to amend the Indian Paper Currency Act, 1923; it is hereby enacted as follows :

In Section 20 of the said Act, for the word " fifty " the words " one hundred and twenty " shall be substituted.

THE PAPER CURRENCY AMENDMENT ACT OF 1925.

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Article 2.

In subsection 4 of Section 19 of the Indian Paper Currency Act, 1923, for the words " eight hundred and fifty " the words " one thousand " shall be substituted, and to the same subsection the following proviso shall be added, namely :

" Provided that the value of created securities included in the said securities at the price at which they were purchased shall not exceed five hundred millions of rupees."

THE CURRENCY ACT OF 1927.

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Article 2.

In the Indian Coinage Act, 1906,

(a) For Section 11 the following Section shall be substituted, namely :

" 11. Gold coins, whether coined at His Majesty's Royal Mint or at any Mint established in pursuance of a proclamation of His Majesty as a branch of His Majesty's Royal Mint, shall not be legal tender in British India in payment or on account, but such coins shall be received at any Government currency office and, at any time after the 30th day of September, 1927, at any Government Treasury other than a Sub-Treasury, at the bullion value of such coins calculated at the rate of 8.47512 grains troy of fine gold per rupee."

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Article 3.

In the Indian Paper Currency Act, 1923—

(d) In section 18 :

(i) In subsection 4, the words “sovereigns, half-sovereigns” and the words “coin and” shall be omitted; and

(ii) In clause (a) of subsection 8, for the figures “11.30016” the figures “8.47512” shall be substituted.

(e) in section 19 :

(i) in subsection (3), the words “sovereigns, half-sovereigns” shall be omitted, and, in the Explanation, after the word “subsection”, the following words and figures shall be inserted, namely :

“gold bullion shall be reckoned at the rate of one rupee for 8.47512 grains troy of fine gold, and”; and

(ii) in subsection (5), the words “coin or”, and the word “coin” where it occurs for the second time, shall be omitted.

Article 4.

Any person who offers for sale to the Governor-General in Council at the office of the Master of the Mint, Bombay, or at any other place notified in this behalf by the Governor-General in Council in the *Gazette of India*, gold in the form of bars containing not less than forty tolas of fine gold shall, subject to such conditions as the Governor-General in Council may, by notification in the *Gazette of India*, prescribe, be entitled to receive payment for the same at the rate of twenty-one rupees, three annas and ten pies per tola of fine gold.

Article 5.

1. The Governor-General in Council shall sell, to any person who makes a demand in that behalf at the office of the Controller of the Currency, Calcutta, or of the Deputy-Controller of the Currency, Bombay, and pays the purchase price in legal-tender currency, gold for delivery at the Bombay Mint, at the rate of twenty-one rupees, three annas and ten pies per tola of fine gold or, at the option of the Controller or the Deputy-Controller, as the case may be, sterling, for immediate delivery in London at an equivalent rate¹: provided that no person shall be entitled to demand an amount of gold or sterling of less value than that of 1,065 tolas of fine gold.

¹ For this purpose 1 shilling $\frac{49}{504}$ pence per rupee was notified as the equivalent rate on April 1st, 1927.

INDO-CHINA.

[*Translation.*]

DECREE OF MAY 31ST, 1930, ON THE MONETARY SYSTEM.

Article 1.

The piastre, the monetary unit of the Indo-China Union, is composed of 655 milligrammes of gold 900/1000 fine, *i.e.* the equivalent of 10 francs according to the valuation of the Law of June 25th, 1928.

Article 2.

The Bank of Indo-China is required to assure the convertibility of its notes in gold to the bearer on demand. This convertibility is assured by the exchange of its notes against gold at the rate of 655 milligrammes of gold 900/1000 fine per piastre, either in Saigon or in Paris, at the Bank's choice, deduction being made in the latter case of the transport and insurance expenses from Saigon to Paris. The Bank has the right to refuse redemption for amounts less than a certain minimum which will be fixed by agreement between the Minister of Finance and the Minister of Colonies on the one hand and the Bank of Indo-China on the other.

The Bank of Indo-China is required to buy gold at its office in Saigon at the rate of one piastre for 655 milligrammes of gold 900/1000 fine without withholding interest. The Bank has the right to withhold from the seller the minting expenses at the tariff of the Paris Mint. Assay expenses are at the charge of the seller.

Article 3.

At the Saigon office the combined total of the notes in circulation plus the sight deposits must always be covered to at least one-third by a reserve composed of gold bars or exchange convertible at sight into gold coin or bars.

Article 4.

Metal piastres will continue to have unlimited legal circulation. The Bank will accept without limit the metal piastres which are presented to it at its offices in Indo-China. It will turn them over to the Government whose account will be debited an equivalent sum in piastres.

Article 5.

All enactments contrary to the present decree are abrogated.

Article 6.

The Minister of Colonies and the Minister of Finance are charged, each to the extent to which it concerns him, with the execution of the present decree which will be published in the Official Journals of France and Indo-China and inserted in the Official Bulletin of the Ministry of Colonies as well as in the Administrative Bulletins of the several countries of Indo-China.

IRISH FREE STATE.

CURRENCY ACT, 1927.

(As amended by the Currency Act, 1930.)

Article 5.

1. Whenever any person, after the commencement of this section, delivers not less at any one time than one hundred ounces of gold bullion at a place for the time being appointed in that behalf by the Minister under this section, the Minister shall cause such bullion to be assayed and coined into coins authorised by this Act to be issued thereunder and shall issue such coins to such person.

2. Whenever the gold bullion delivered for coinage under this section is of the standard fineness, the number of coins to be issued under this section in exchange for such bullion shall be calculated at the rate of one Saorstát pound for every 123.27447 grains of such bullion or one ten-shilling coin for every 61.63723 grains of such bullion, and whenever such bullion is of a fineness superior or inferior to the standard fineness the said number of coins shall be calculated at such higher or lower (as the case may be) rate as is proportionate to such superiority or inferiority of fineness.

4. It shall be lawful for the Minister to impose such charge for the coinage of gold bullion under this section as he thinks proper, not exceeding three-halfpence for every ounce of such bullion of the standard fineness, and so in proportion for bullion of a superior or an inferior fineness.

7. This section shall come into operation on such day as shall be appointed in that behalf by the Minister with the concurrence of the Commission, by notice published in the *Iris Oifigiúil*.

8. The notice under the foregoing subsection appointing the day for the coming into operation of this section, shall, if the Commission so requires, declare that no person other than the Commission shall be entitled to deliver gold bullion for coining under this section, and, if such notice so declares, then no person other than the Commission shall be entitled to deliver gold bullion for coining under this section until such time as the Commission shall by notice published in the *Iris Oifigiúil* declare that every person shall be so entitled.

Article 47.

1. When, and so soon as, the Commission is in a position to issue legal-tender notes, the Commission shall, by notice in writing, send to every Shareholding Bank and publish in the *Iris Oifigiúil*, appointing a day (in this section referred to as the appointed day), not less than fourteen days after the sending and publication of such notice, on which it will commence the issue of legal-tender notes in accordance with this Act.

2. If, and whenever, any person, on or after the appointed day, applies to the Commission at the place in Dublin appointed for the purpose by the Commission for legal-tender notes and delivers to the Commission at such place and in accordance with the regulations in that behalf

made by the Commission not less at any one time than one hundred ounces of gold bullion as defined by this Act or gold coins (in this section called Saorstát gold coins) which are for the time being legal tender under this Act in Saorstát Eireann for unlimited amounts or money (in this section called British money) in any form which is for the time being legal tender in Great Britain for unlimited amounts, the Commission shall issue to such person legal-tender notes of an amount equal (as the case may be) to the value under this section of the gold bullion or to the nominal amount of the Saorstát gold coins or to the nominal amount of the British money so delivered by such person to the Commission.

3. Until Section 5 (which relates to coining from gold bullion on request) of this Act has come into operation, it shall be lawful for the Commission, if it thinks fit so to do, to refuse to accept delivery of any gold bullion tendered to it under this section.

4. The Commission may, whenever on or after the appointed day it thinks fit so to do, issue in Dublin to the general fund or the note reserve fund legal-tender notes in exchange for any equal nominal amount of Saorstát gold coins or of British money.

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Article 49.

1. Every legal-tender note shall be payable by the Commission on presentation at the London Agency and shall be so payable in money in any form which is for the time being legal tender in Great Britain for unlimited amounts.

2. The Commission may, if and whenever and to such extent as it thinks fit, redeem in Dublin in gold coins which are for the time being legal tender under this Act in Saorstát Eireann for unlimited amounts or in money in any form which is for the time being legal tender in Great Britain for unlimited amounts or, if the person presenting the notes so agrees, by a draft on London, any legal-tender notes presented to it for such redemption at the place in Dublin appointed in that behalf by the Commission.

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Article 50.

1. All moneys required for the redemption of legal-tender notes by the Commission (whether at the London Agency or in Dublin) in pursuance of this Act shall be provided by the Commission out of the legal-tender note fund, and, if that fund proves insufficient, out of the note-reserve fund and, if such last-mentioned fund proves insufficient, out of moneys advanced under this section to the Commission out of the Central Fund.

2. Whenever the legal-tender note fund and the note-reserve fund have proved or are expected by the Commission to prove in the then near future insufficient to provide the moneys necessary for the redemption of legal tender notes by the Commission in pursuance of this Act, the Commission shall certify to the Minister the existence or expectation (as the case may be) of such insufficiency and the sum which is required by the Commission for the redemption in accordance with this Act of all such legal-tender notes as in the opinion of the Commission will probably be presented for such redemption in the then near future, and upon receipt of such certificate the Minister shall forthwith advance to the Commission out of the Central Fund or the growing produce thereof the sum so certified by the Commission.

3. All sums advanced to the Commission out of the Central Fund under this section shall be repaid without interest to the Exchequer by the Commission out of the first moneys to the credit of the note-reserve fund.

4. For the purposes of this section, any payment under this Act (otherwise than in legal-tender notes) on presentation of legal-tender notes which have been called in shall be deemed to be a redemption of such legal-tender notes.

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Article 58.

1. Every consolidated bank-note shall have printed thereon the name of the Shareholding Bank to which such note is issued by the Commission and in this section the expression "responsible Bank" means the Shareholding Bank whose name is so printed on the consolidated bank-note in relation to which the expression is used.

4. The amount of every consolidated bank-note shall be payable by the responsible Bank on presentation at its principal office in Dublin on any day which is not a Sunday or a Bank holiday and during the time for which such Bank is ordinarily open for business on such day, and such amount shall be so payable in coins or notes (at the option of such Bank) which are at the time of such presentation legal tender in Saorstát Eireann for such amount.

5. Whenever the responsible Bank fails to pay in accordance with the foregoing subsection a consolidated bank-note duly presented to it in accordance with that subsection, the holder of such note may either :

(a) Recover the amount of such note from the responsible Bank by action in any Court of competent jurisdiction or, in the event of such Bank going into liquidation, prove in such liquidation for the amount of such note, or

(b) Present note to the Commission at its principal office in Dublin together with such evidence as the Commission may require of the due presentation of such note to the responsible Bank and the failure of such Bank to pay the amount thereof.

6. Whenever a consolidated bank-note is presented under this section to the Commission, the Commission shall receive such note and shall recover the amount thereof from the responsible Bank by action, claim, or proof on such note (for which purpose the Commission shall be deemed to be the holder of the note) or by resort to and enforcement of the security held by it from the responsible Bank.

7. Whenever a consolidated bank-note is duly presented to the Commission under the foregoing subsection the Commission shall, at its own option, either :

(a) Pay to the person who presented such note, or his legal representative, all moneys recovered from the responsible Bank by the Commission on foot of such note and, if such moneys are less than the amount of such note, pay the deficiency to such person, or his legal representative, out of the note-reserve fund, or

(b) As soon as may be convenient after the presentation of such note, pay to such person, or his legal representative, the amount of such note out of the note-reserve fund and pay all moneys recovered from the responsible Bank on foot of such note into the note-reserve fund.

All moneys paid out of the note-reserve fund under this subsection by the Commission to a person, or the legal representative of a person, who presented a consolidated bank-note shall bear interest payable by the responsible Bank to the Commission at such rate as the Commission shall appoint and recoverable by the Commission from such Bank as a civil debt.

Article 61.

1. The Commission shall keep a separate capital fund to be called the legal-tender note fund and shall maintain and manage such fund in accordance with this Act.

2. All gold bullion, moneys, securities, and funds (other than legal-tender notes and other than moneys paid by way of a charge for refining gold bullion or a charge corresponding to a charge for coining) paid or transferred to the Commission by any person or from any fund for legal-tender notes issued by the Commission to such person or fund shall be carried to the legal-tender note fund.

3. The capital of the legal-tender note fund shall be held by the Commission or at its disposal in such one or more of the following forms as the Commission in its absolute discretion shall think proper, and in no other form, that is to say :

- (a) Gold bullion;
- (b) Gold coins which are for the time being legal tender in Saorstát Eireann for unlimited amounts;
- (c) Money in any form which is for the time being legal tender in Great Britain for unlimited amounts;
- (d) British Government securities;
- (e) Sterling balances on current or deposit account at the London Agency or any Bank in Great Britain or Northern Ireland;
- (f) Securities of the Government of the United States of America.

4. The Commission shall in its absolute discretion determine from time to time as occasion requires the allocation of the capital of the legal-tender note fund amongst the several forms mentioned in the foregoing subsection or any of them.

5. All dividends and interest received by the Commission in respect of the capital of the legal-tender note fund shall be carried as income to the general fund.

6. The Commission may, if and whenever it thinks fit, borrow temporarily for the purposes of the legal-tender note fund, and may pledge the capital or any part of the capital of the legal-tender note fund as security for such borrowing and shall charge all interest on such borrowing against the income of the general fund.

7. At the end of every half-year the Commission shall value, in accordance with current market values, the capital assets of the legal-tender note fund and shall ascertain the extent of the net surplus or deficiency, if any, of such capital assets as so valued (less by the capital amount of any temporary borrowing under the foregoing subsection then outstanding) above or below the amount of legal-tender notes outstanding at the end of such half-year, and shall, as soon as may be after such ascertainment, transfer (as the case may require) from or to the legal-tender note fund to or from the note-reserve fund capital assets in any one or more of the forms mentioned in subsection 3 of this section equal in value to the amount of such surplus or deficiency, if any¹.

Article 62.

1. The Commission shall keep a separate capital fund to be called the note-reserve fund and shall maintain and manage such in accordance with this Act and shall pay into such fund all moneys which are by this Act required to be paid thereinto and shall pay out of such fund all moneys which are by this Act required to be paid thereout.

2. The capital of the note-reserve fund shall be held by the Commission or at its disposal in such one or more of the following forms as the Commission in its absolute discretion shall think proper and in no other form, that is to say :

- (a) Gold bullion;
- (b) Gold coins which are for the time being legal tender in Saorstát Eireann for unlimited amounts;
- (c) Money in any form which is for the time being legal tender in Great Britain for unlimited amounts;
- (d) British Government securities;
- (e) Securities guaranteed by the British Government;
- (f) Sterling balances on current or deposit account at the London Agency or any Bank in Great Britain or Northern Ireland;
- (g) Legal-tender notes.
- (h) Securities of the Government of the United States of America.

¹ Article 3 of the Currency Act, 1930, provided that interim transfers might also be made between the legal tender note fund and the note reserve fund.

3. Subject to the restriction that not more than one-tenth of the capital of the note-reserve fund may at any time be held in the form of legal-tender notes, the Commission shall in its absolute discretion determine from time to time as occasion requires the allocation of the capital of the note-reserve fund amongst the several forms mentioned in the foregoing subsection or any of them.

4. All dividends and interest received by the Commission in respect of the capital of the note-reserve fund shall be carried as income to the general fund.

5. The Commission may, if and whenever it thinks fit, borrow temporarily for the purposes of the note-reserve fund and may pledge the capital or any part of the capital of the note-reserve fund as security for such borrowing and shall charge all interest on such borrowing against the general fund.

6. At the end of every half-year the Commission shall value, in accordance with current market values, the capital assets of the note-reserve fund and shall ascertain the extent of the net deficiency, if any, of such capital assets as so valued (less by the capital amount of any temporary borrowing under the foregoing subsection and the value of any capital assets then transferable to the legal-tender note fund, but with the addition of any capital assets then transferable from the legal-tender note fund) below one-tenth of the maximum amount of consolidated bank-notes which might under this Act be outstanding (otherwise than on an extraordinary issue) on the last day of such half-year and, if on any such ascertainment any such deficiency is found to exist, shall, as soon as may be, transfer to the note-reserve fund from the general fund in any of the forms mentioned in subsection 2 of this section an amount equivalent to whichever of the following amounts is the less, that is to say :

(a) The amount of such deficiency, or

(b) One-fifth of the surplus of the total amount received by the Commission during such half-year on account of dividends and interest in respect of the capital of the legal-tender note fund and the capital of the note-reserve fund remaining, after deducting from such total amount all (if any) interest payable during such half-year on any temporary borrowing for the purposes of either of such funds.

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ITALY.

[*Translation.*]

DECREE-LAW OF DECEMBER 21ST, 1927, No. 2325.

Article 1.

As from the day following publication of the present Decree, the Bank of Italy shall be bound to convert its own notes, on presentation at its head office in Rome, into gold, or, at the discretion of the Bank, into the currencies of foreign countries whose bank-notes are convertible into gold.

Gold parity shall be fixed at the rate of 7.919 grammes fine gold per one hundred Italian lire.

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Article 4.

As from the entry into force of the present Decree, the Bank of Italy shall be required to hold a reserve of gold or of the currencies of foreign countries whose bank-notes are convertible into gold, equal to at least 40% of its note circulation and of all its other sight liabilities.

The notes issued by the Bank of Italy shall be secured, apart from the aforesaid gold reserve or its equivalent, by all the other assets of the Bank, in conformity with the existing laws.

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Article 6.

The provisions in force regarding the minting and the issue of gold coin will be co-ordinated by a Royal Decree-Law, on the proposal of the Minister of Finance, with the provisions of Article 1 of the present Decree.

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DECREE OF FEBRUARY 26TH, 1928, No. 252.

Article 1.

In application of Article 1 of the Royal Decree-Law of December 21st, 1927, No. 2325, the Bank of Italy will convert its notes presented to it at the head office in Rome into bars of fine gold of a minimum weight of 5 kilogrammes, at the rate of 7.919113 grammes per 100 lire.

Article 2.

In conformity with the above-mentioned Article 1, the Bank of Italy has the option of converting its notes into the currencies of foreign countries whose bank-notes are convertible into gold.

Conversion will be made at the rate which will be established by the Bank of Italy, account being taken of the current rates on the exchange market. This rate may not in any case be above the gold export point, such as it is fixed by Article 4.

Article 3.

For the purposes of controlling the circulation, the Bank of Italy shall be required by the purchase or sale of gold or by intervention on the foreign currency market to keep the fluctuations in the exchange rate of Italian currency as compared with the currencies of foreign countries whose bank-notes are convertible into gold, within the limits laid down in the following article.

Article 4.

The gold export point and the gold import point, in relation to the gold parity laid down in Article 1 of the Royal Decree-Law of December 21st, 1927, No. 2325, are fixed by a Royal Decree made on the joint proposal of the Minister of Finance, the Cabinet, and the Director-General of the Bank of Italy.

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DECREE OF FEBRUARY 26TH, 1928, No. 253.

Article 1.

The gold export point and the gold import point in relation to the gold parity are fixed as follows : 19.10 lire per dollar for export and 18.90 for import.

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JAPAN.
Japan Proper.

[*Translation.*]

THE CONVERTIBLE BANK-NOTE REGULATION.

(Decree of the Council of State No. 18, of May 1884, amended by the Decree of the Council of State No. 9, of May 1885, Imperial Ordinance No. 59, of August 1887, Law No. 34, of May 1885; No. 18, of March 26th, 1897, and No. 55, of March 1899.)

Article 1.

The convertible bank-notes shall be issued by the Bank of Japan under Article 14 of the Bank of Japan Regulation and shall be convertible into gold coin.

Article 2.

The Bank of Japan shall hold, and appropriate to the reserve for conversion of the convertible bank-notes, gold and silver coin and bullion¹ equivalent to the amount of the notes issued; provided that silver coin and silver bullion shall not exceed one fourth of the total amount of the reserve.

In addition to the notes provided for in the foregoing paragraph, the Bank of Japan may issue bank-notes to an amount not exceeding one hundred and twenty million yen against Government loan bonds, Treasury bills or any other reliable securities or commercial bills.

Should an increase in the circulation of money be deemed necessary according to the conditions of the market, the Bank of Japan may, in addition to the issues provided for in the two foregoing paragraphs, issue bank-notes, with the authorisation of the Minister of Finance, against Government loan bonds, Treasury bills or any other reliable securities or commercial bills. In such case the Bank of Japan shall pay a tax on the issues at the rate of not less than five per centum per annum; provided that the actual rate shall be determined on each occasion by the Minister of Finance.

Article 3.

The convertible bank-notes shall be freely current for the payment of taxes, custom duties and all other transactions.

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Article 7.

The Bank of Japan shall take gold coin on demand in exchange for bank-notes, free of charge, at its head office and branches.

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¹ No silver coin or bullion has been included in the reserve since 1905.

THE BANK OF JAPAN REGULATION.

(Decree of the Council of State No. 32, of June 1882, amended by Law No. 61, of August 1890.)
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Article 14.

The Bank of Japan has a right to issue bank-notes; provided that, when an issue of bank-notes is to be authorised, special regulations shall be made and promulgated.
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[*Official Translation.*]

COINAGE LAW.

(Law No. 16, of March 1897, as amended by subsequent Laws.)

Article 1.

The power of minting and issuing coins resides in the Government.
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Article 14.

Individuals may have gold bullion coined on application to the Government.
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[*Translation.*]

LAW No. 55, OF MARCH 1899.

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The Bank of Japan shall pay a tax at the rate of twelve and a-half per mille per annum on the monthly average amount of its convertible notes issued against securities under the second paragraph of Article 2 of the Convertible Bank-Notes Regulation; provided that the Bank shall be exempt from the payment of this tax on notes issued for advances to the Government or other party in compliance with a special order from the Government at an interest of ten per mille or less per annum or without interest.
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Chosen.

[*Translation.*]

THE BANK OF CHOSEN LAW.

(Law No. 48, of March 1911, amended by Laws No. 28, of March 1918, and No. 21, of July 1924.)
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Article 21.

The Bank of Chosen may issue bank-notes; provided that, with regard to the forms and kinds of the bank-notes, the Bank shall obtain an authorisation from the Governor-General of Chosen.

The bank-notes provided for in the foregoing paragraph shall be payable during business hours at the head office and branch offices of the Bank of Chosen in gold coin or convertible bank-notes (viz., the Bank of Japan notes—Nippon Ginko notes); provided that, at the branch offices, payment may be delayed for the time required for the arrival of the reserve from the head office.

Article 22.

The Bank of Chosen is required to hold and appropriate to the reserve for payment of its bank-notes, an amount of gold coin, gold and silver bullion, or convertible bank-notes equal to the amount of the issue of its bank-notes; provided that silver bullion shall not exceed one-fourth of the total amount of this reserve.

In addition to the notes issued against the reserve provided for in the foregoing paragraph, the Bank of Chosen may issue bank-notes to the amount of fifty million yen against national loan bonds, or any other reliable securities or commercial bills.

Should the circumstances of the market require a further issue of bank-notes in addition to the issues provided for in the two foregoing paragraphs, the Bank may, with the authorisation of the Governor-General of Chosen, issue bank-notes against national loan bonds, or any other reliable securities or commercial bills. In the above case, the Bank shall pay a tax on the issue at a rate which shall be determined from time to time by the Government and which shall be not less than five per centum per annum of the amount of the said issue.

Article 23.

The bank-notes issued by the Bank of Chosen shall be current without any limit in the territories under the jurisdiction of the Governor-General of Chosen.

DECREE OF THE GOVERNOR-GENERAL OF CHosen.

(No. 146, of 1911.)

Article 8.

When the Bank is required to exchange gold coins or the Bank of Japan convertible notes for its bank-notes, the head office and branch offices in Chosen of the Bank of Chosen shall exchange the same free of charge.¹

Taiwan.

[*Translation.*]

THE BANK OF TAIWAN LAW.

(Law No. 38, of April 1897, amended by Laws No. 17, of June 1901, No. 34, of March 1902, No. 3, of February 1906, No. 46, of April 1910, No. 7, of March 1914, No. 27, of March 1918, and No. 68, of April 1922.)

¹ The Bank of Chosen is at present under these requirements.

Article 8.

The Bank of Taiwan may issue bank-notes with face values of one yen and above.

The bank-notes provided for in the foregoing paragraph shall be payable in gold coin during business hours at the head office and branch offices of the Bank of Taiwan; provided that, at the branch offices, payment may be delayed for the time required for the arrival of the reserve from the head office.

Article 9.

The Bank of Taiwan is required to hold and appropriate to the reserve for payment an amount in gold and silver coins or bullion equal to the amount of the issue of its bank-notes.

In addition to the notes issued against the reserve provided for in the foregoing paragraph, the Bank of Taiwan may issue bank-notes to the amount of twenty million yen against Government paper money and bonds, convertible bank-notes, or any other reliable securities or commercial bills.

Should the circumstances of the market require a further issue of bank-notes in addition to the issues provided for in the two foregoing paragraphs, the Bank may, with the authorisation of the Minister concerned, issue bank-notes against Government paper money and bonds, convertible bank-notes, or any other reliable securities or commercial bills. In the above case, the Bank shall pay a tax on the issue at a rate which shall be determined from time to time by the Government, and which shall be not less than five per centum per annum of the amount of the said issue.

Article 10.

The bank-notes issued by the Bank of Taiwan may be tendered for payment to the Government in the area under the jurisdiction of the Governor-General of Taiwan.

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LATVIA.

STATUTES OF THE LATVIJAS BANKA.

[*Translation.*]

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Article 13.

The Latvijas Banka (Bank of Latvia) shall have the sole right to issue paper money. Notes shall be issued in “lats” and must be covered for their full nominal value as follows :

1. If the amount of the issue does not exceed one hundred million lats, by gold or stable and sure foreign currencies for at least fifty per cent, and the remainder by reliable short-term bills of exchange;

2. If the amount of the issue exceeds one hundred million lats but is not more than one hundred and fifty million lats, the amount in excess of one hundred million lats must be covered to the extent of seventy-five per cent by gold or stable and sure foreign currencies and to the extent of twenty-five per cent by reliable short-term bills of exchange;

3. The amount of the issue exceeding one hundred and fifty million lats must be fully covered by gold or stable and sure foreign currencies.

Article 14.

If the holder so requests, the Bank must at any time exchange notes for gold. Gold must be paid on demand at the rate of 0.2903226 grammes of fine gold per lat, in exchange for bank-notes.

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LAW CONCERNING STATE TREASURY NOTES.

(*Riga, November 23, 1924. Collection of Laws No. 183, 1924.*)

[*Official Translation.*]

The Saeima (Parliament) has passed, and the President of the State has promulgated the following law :

1. The rouble treasury-notes shall be withdrawn from circulation, and treasury-notes of 1, 2, 5, 10 and 20 Lats shall be issued in their place.

Note.—The time of withdrawal of the rouble treasury-notes shall be fixed by the Minister of Finance.

2. The total sum of the State treasury-notes in circulation shall not exceed forty-eight million lats.

3. The State shall be responsible for the treasury-notes with all its property. In order to secure stability of the treasury-notes issued, the State shall deposit its gold fund at the Bank

of Latvia. The value of the fund deposited shall equal at least one-fourth of the nominal value of the treasury-notes issued.

4. The State treasury-notes shall be legal tender as well as the gold currency.

Note.—Until the rouble treasury-notes have been withdrawn they shall be legal tender at the rate of fifty roubles to one lat, except in cases where special agreements were made as to other rates, before this law came into force.

5. Worn and torn treasury-notes shall be exchanged for new ones. Regulations concerning the exchange and destruction of worn and torn treasury-notes shall be issued by the Cabinet of Ministers.

LAW CONCERNING LATVIAN MONEY

(Passed on the Basis of the Law of July 16th, 1919,
with amendments and supplements of March 18th, 1925.)

[*Official Translation.*]

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Article 3.

Gold money shall be coined of gold belonging to the State and also of gold delivered by private persons. Gold delivered by private persons for minting shall be accepted at a price determined by the Minister of Finance if the gold is delivered in bars or gold money of other States containing the percentage of gold fixed by the Minister of Finance and if the quantity of gold delivered is not less than one hundred grammes.

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LITHUANIA

[*Official Translation.*]

BYE-LAWS OF THE BANK OF LITHUANIA.

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Article 24.

The Bank issues anonymous bank-notes. Not less than one-third of the amount of bank-notes in circulation must be covered with gold, the balance by easily realisable securities for not more than their stock-exchange price.

Article 25.

The bank-notes of the Bank of Lithuania are State legal tender and in circulation must be accepted on a par with gold coin.

Note.—The procedure for the conversion of bank-notes into gold money is to be fixed by the Minister of Finance, Commerce and Industry.

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MADAGASCAR.

[*Translation.*]

LAW OF DECEMBER 22ND, 1925, PROVIDING FOR THE ESTABLISHMENT OF A BANK OF ISSUE.

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Article 2.

The notes of the Bank of Madagascar shall be accepted as legal tender by public offices and by individuals within the colony and its dependencies.

They shall enjoy forced circulation as long as it is enjoyed by notes of the Bank of France. During the period of validity of the annexed Agreement concerning the current account between the Bank and the Treasury they may be exchanged at the Bank's counters for a transfer on France repayable in notes of the Bank of France at par.

On the expiration of the period of forced circulation, the notes shall be repayable at sight and to bearer in specie which is legal tender in France, by the branch and agencies designated by agreement between the Minister of the Colonies and the Bank.

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STATUTES OF THE BANK OF MADAGASCAR.

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Article 15, paragraph I.

The notes in circulation must always be covered to the extent of at least one-third of their value by a reserve consisting of gold on the basis of the monetary definition of the franc, of coin which is legal tender in France, of sight deposits in foreign exchange convertible into gold and reckoned at parity, or of a credit in a special non-interest-bearing account with the Treasury.

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MARTINIQUE, GUADELOUPE, FRENCH GUIANA AND REUNION.

[*Translation.*]

LAW RENEWING THE CHARTER OF THE BANKS OF MARTINIQUE,
GUADELOUPE, FRENCH GUIANA AND REUNION (MARCH 21ST, 1919).

Article 4.

I. Each of the banks to which the present law refers is authorised, exclusive of all other establishments, to issue notes payable to the bearer for 500 francs, 100 francs, 25 francs and 5 francs in the colony in which it is situated.¹

II. These notes are redeemable on demand at the office of the bank which issued them.

III. They are receivable as legal tender in the territory of each colony both by public offices and private individuals.

IV. In the event of liquidation, the Minister of Colonies, in agreement with the Minister of Finance, will arrange for the circulation and redemption of the notes of the bank.

V. The sum of the notes in circulation must not under any circumstances exceed three times the metallic reserve.

VI. The bank must not borrow on its notes.

VII. The total sum of the bank's notes in circulation, current accounts and other liabilities must not exceed three times the sum of the capital and reserve funds unless the value of the current accounts and other liabilities be covered by cash over and above the metallic reserve of guarantee.

VIII. The type of the notes must be approved by the Minister of Colonies and the Minister of Finance.

The instruments for the manufacture of the notes will be placed in the safe-keeping of the Bank of France.

¹ The Law of May 23rd, 1927, authorised the issue of 1,000-franc notes.

MEXICO.

[*Translation.*]

LAW CREATING THE BANK OF MEXICO (AUGUST 25TH, 1925).

CHAPTER II.—ISSUE OF NOTES.

Article 2.

The Bank of Mexico may issue notes to an amount not exceeding twice the gold reserve in bars or domestic or foreign currency with a standard of 75 centigrammes of pure gold per peso; from this reserve may be deducted the quantity required by law for the cover of deposits. For the purposes of the present Article the cash reserve shall include the gold deposits held by the Bank in foreign banks and consignments of gold bars or coin in transit to the Bank.

Article 4.

Notes may be issued only :

- I. In exchange for domestic or foreign gold coin.
- II. In exchange for gold ingots at the rate of 75 centigrammes of pure gold per peso.
- III. In exchange for first-class drafts payable at sight and in gold on foreign countries.
- IV. On the rediscount of bills payable in gold that the Bank rediscounts with its associated banks.

Notes returned to the Bank in payment of bills in its favour, or in exchange for cash or drafts' may not be replaced in circulation without fulfilling the requirements for issue laid down in the present Article.

Article 7.

Notes shall be paid at their face value to the bearer in gold on presentation at the Bank's central office and its branches: but the latter shall be obliged to cash only the notes which they have put into circulation with their stamp, and they shall pay notes issued by the central office or the other branches in drafts at sight drawn on the central office, without any cost to the recipient. Damaged notes shall be paid even when torn, provided the number, series, value and at least two of the necessary signatures remain legible.

LEY GENERAL DE INSTITUCIONES DE CREDITO
Y ESTABLECIMIENTOS BANCARIOS.

Article 92.

Deposit and Discount Banks shall be taken to mean those which engage in ordinary banking operations, receive deposits repayable at sight or at not more than 30 days' notice, discount commercial bills and make loans of the same character.

Article 93.

(Amended by the Decree of June 6th, 1929.)

Deposits repayable at sight or at not more than 30 days' notice shall be covered :

I. By a cash reserve in domestic gold or notes of the Bank of Mexico which must not be lower than the proportion established by the National Banking Commission, with account taken of the particular conditions in each bank and of the general conditions in the country. This proportion must not be lower than 20% or higher than 33%. The decisions taken in this regard will come into full effect within a period which must not be longer than 60 days from the date on which they were handed down.

The Ministry of Finance, taking the situation of the money market into account, will decide the currency which must compose the cover for deposits made in silver or in any other currency except gold. Depositors will be notified 15 days in advance of the measures taken in this regard by the Ministry of Finance.

Foreign gold coin and gold bars, the standard of which is certified by the Mint stamp shall be counted as cash reserves at their intrinsic value.

Sight deposits with the Bank of Mexico may also be counted in the cash reserve.

Silver coin and small change in excess of 5% of the total shall not be included in the metal reserve serving as cover for deposits except in the special case where they serve as cover for deposits made in silver coin or small change.

The Ministry of Finance by means of temporary permits may authorise the inclusion in the cash reserve of consignments of gold coin or bars in transit, and sight deposits in banking firms or foreign banks, provided that the latter are of first-class standing and that the deposits are duly proved, but the total of such moneys or deposits must not exceed one-third of the total amount of the metal reserve required for the cover of deposits.

(Amended by the Decree of August 25th, 1928.)

II. The remainder, up to the total sum of the deposits, shall be guaranteed by the securities enumerated in the following list :

(a) Loans and discounts repayable within the Republic and of not more than six months' term, without possible extension. The investments should be in conformity with the provisions of Article 259.

(b) Bills of exchange or drafts (*libranzas*) of not more than six months' term and bearing the signatures of at least two responsible persons.

(c) Shares, bonds and other immediately realisable securities, valued at their current price and approved by the Ministry of Finance in general decisions.

(d) Sight deposits with credit houses and banks in the Republic.

Article 94.

(Amended by the Decree of August 25th, 1928.)

Accounts in foreign currency, giving the holder the right to demand payment specifically in drafts on foreign countries shall not be legally regarded as deposit accounts, nor therefore as privileged credits; however, the total amount of these accounts must be guaranteed as follows :

I. By deposits in foreign currencies payable at sight and held in the Bank of Mexico or in foreign banks provided that these are of first class in the opinion of the National Banking Commission and that their existence is duly proved, or by an equivalent reserve in domestic gold. This reserve must be held in the proportion fixed by the National Banking Commission in conformity with Article 93, Section I.

II. The remainder up to the full amount of the accounts by any of the securities specified in Section II of the foregoing Article, their value being computed at the current rate of exchange; or by bills of the same class in foreign currencies, approved by the National Banking Commission.

Article 95.

(Amended by the Decree of August 25th, 1928.)

The credit institutions will also be required to guarantee in the manner laid down in Articles 93 and 94 :

I. The total of the sight deposits, the maturity of which is less than 30 days, and which are composed of domestic gold or silver, even if the depositors engage, under any form, to accept, at the choice of the bank, other currencies in payment of their deposits if the bank so prefers.

II. The total of the credit balances payable at sight or at not more than 30 day's notice in the form of current accounts, accounts of correspondents or others of a similar nature, and the sums derived from loans made by the establishment and recorded in contracts or any other document, when such sums have not been withdrawn in whole or in part by those concerned.

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LEY DE IMPUESTOS A LA MINERIA.

(PROMULGATED DECEMBER 19TH, 1929; PUT INTO EXECUTION JANUARY 1ST, 1930.)

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Article 16.

The Mint shall accept without limit gold suitable for minting presented to it by private persons for the purpose of coining, at the rate of \$1,333.33 (one thousand three hundred and thirty-three pesos, thirty-three centavos) per kilogramme of pure gold, which rate shall also obtain for the payment of the production-tax and the minting-fee.

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Article 26.

It is forbidden to export gold coins and metallurgical products having a fineness in gold of over two hundred and fifty-thousandths.

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MOROCCO.

[*Translation.*]

STATUTES OF THE STATE BANK OF MOROCCO.

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Article 2.

The operations of the State Bank of Morocco consist of the following transactions :

1. The issue of bearer notes payable at sight and receivable for public dues in Morocco in virtue of the exclusive privilege provided for under Article 32 of the General Act of the International Conference of Algeciras, subject to the obligation requiring the Bank to maintain for a period of two years dating from its entry into operation cash on hand equal to at least one-half of its notes in circulation, and equal to at least one-third after the expiration of said period of two years; at least one-third of this reserve must be held in gold bullion or gold coin.

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GENERAL ACT OF THE INTERNATIONAL CONFERENCE OF ALGECIRAS.

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Article 32.

The Bank, which shall have power to carry on all transactions entering into the operations of a bank, shall have the exclusive privilege of issuing notes to bearer, payable on presentation and receivable for public dues throughout the Moorish Empire.

The Bank shall maintain for a period of two years, to date from its going into operation, cash on hand at least equal to half its notes in circulation, and equal to at least one-third after the expiration of said period of two years. At least one-third of such cash on hand is to be gold bullion or gold coin.

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NETHERLANDS.

[*Translation.*]

MONETARY LAW OF MAY 28TH, 1901.

“*Staatsblad*” No. 132) as amended and amplified by the *Laws of December 31st, 1906* (“*Staatsblad*” No. 376), *July 1st, 1909* (“*Staatsblad*” No. 253), *October 31st, 1912* (“*Staatsblad*” No. 324) and *November 27th, 1919* (“*Staatsblad*” No. 786.)

Article 1.

The currency unit in the Netherlands is the florin.
There are 100 cents to a florin.

Article 2.

The national coins are as follows :

A. Coins which are legal tender :

1. To any amount :

(a) In gold :

The ten-florin piece;
The five-florin piece.

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Article 3.

Any person may have gold ten-florin pieces, five-florin pieces and ducats struck at the (National Mint, unless this is not possible owing to work for the account of the State.

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[*Official Translation.*]

THE BANK ACT (DECREE OF SEPTEMBER 28TH, 1918).

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Article 18.

(1) The notes of the Bank are payable on demand at the Head Office, the Branch Office and at the Agencies, excepting on the days mentioned in Article 154 of the Commercial Code.

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Article 19.

(1) In case of war or danger of war the obligation of De Nederlandsche Bank to pay its notes may, by Order in Council, be suspended.

(2) An Order in Council as referred to in the first clause of this article shall fix the period of such suspension. This period may be extended by Us as frequently as this may, in Our option, be necessary.

(3) The Order in Council referred to in the first clause of this article will be withdrawn as soon as, in Our opinion, the war or danger of war, by reason of which it was proclaimed, has ceased.

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Article 23.

The proportion of the total amount of bank-notes, bank-assignments and balances of current accounts which must be covered by coin or bullion shall be laid down in a Royal Decree to be passed at the recommendation of the Management of the Bank. This decree will be published in the *Staatsblad* and, if necessary, will be changed from time to time.

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[*Translation.*]

DECREE OF JANUARY 4TH, 1929.

Amending the Royal Decree of April 16th, 1864, ("Staatsblad" No. 18), as amended by the Royal Decrees of June 20th, 1880 ("Staatsblad" No. 113) and of July 31st, 1914, ("Staatsblad" No. 334) determining the proportion referred to in Article 23 of the 1919 Bank Law ("Staatsblad" 1918, No. 553).

We, Wilhelmina, etc., etc.

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Hereby direct that :

Our above-mentioned Decrees shall be amended as follows :

The total amount of bank-notes in circulation, bank-drafts (bankassignatiën) and current-account balances at the Nederlandsche Bank shall always be covered, to the extent of two-fifths, by specie or bullion.

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NETHERLANDS INDIES.

[*Translation.*]

THE JAVA BANK ACT (LAW OF MARCH 31ST, 1922).

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Article 15.

1. The bank-notes issued by the Bank are payable on demand at the Head Office of the Bank and at its agencies, daily at the hours fixed by the Board of Directors, except on certain days to be specified by the Governor-General.

2. Payment at agencies may be deferred, however, until means of payment can be obtained from the head office.

3. The Governor-General may release the Bank from the obligation to convert its bank-notes at such agencies as he may specify.

4. The Bank shall be bound, on receipt of specie which is legal tender to any amount, to issue bank-notes to the Government for such amount as may be required.

5. Bank-notes shall be free of stamp duty.

Article 16.

1. The holder of a note of the Bank shall be entitled only to claim payment by the Bank of the amount specified on the note.

2. The Bank shall not be bound to grant indemnification for the loss or destruction of its notes.

3. The Bank shall not be bound to grant any indemnification for fragments of bank-notes, except on such security as the Board of Directors deems necessary to prevent loss to the Bank.

4. In the event of suspicion of fraud or at the written request of persons interested, the Bank may require the person presenting notes for conversion to give a receipt for them and/or endorse them.

5. The provisions of Articles 226, 227 and 228 of the Commercial Code of the Netherlands Indies shall not apply to bank-notes.

Article 17.

1. In case of war, or imminent danger of war, the Bank's obligation to redeem its bank-notes may be suspended by ordinance.

2. The ordinance referred to in the preceding paragraph shall specify the term of its duration. The term may be extended from time to time as may be necessary.

3. As soon as the war, or the danger of war, which necessitated the promulgation of the ordinance referred to in paragraph 1 is ended or past, the ordinance shall be withdrawn.

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Article 28.

1. The proportion of the aggregate bank-notes, current-account balances, and other sight liabilities of the Bank which must be covered by specie or bullion shall be fixed by the Governor-General with our authorisation.

2. Of the obligatory metallic reserve referred to in paragraph 1, at least a part, to be fixed by the Governor-General, must be actually in the Netherlands Indies, and a part thereof—also to be fixed by the Governor-General—must consist of coin which is legal tender up to any amount.

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AGREEMENT BETWEEN THE BANK OF JAVA AND THE GOVERNMENT OF THE NETHERLANDS INDIES.

(Published in the *Official Gazette* of April 29th, 1925.)

The President and Director of the Java Bank pledge themselves with the Government of the Netherlands Indies to uphold and continue the gold policy which the Bank has so far followed, by, *inter alia*, the following measure—viz., that, should rates of exchange on foreign countries rise above the parity of the gold value, it will, except under extraordinary circumstances to be decided upon by the Governor-General after consultation with the Java Bank, and except for arbitration of exchange, if necessary, and as long it is in its power to do so without infringing the stipulation of the Java Bank Act, make its gold supply available for issue on the basis of 1,653.44 florins per kilogramme fine for bars and at corresponding prices for minted gold.

MINT LAW OF OCTOBER 31ST, 1912 (AMENDED BY THE LAW OF NOVEMBER 27TH, 1919).

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Article 2.

The following shall be legal coin in the *Netherlands Indies* :

(A) Being legal tender :

(1) For the payment of any amount :

(a) In gold :

The 10-gulden (10-florin) piece;
The 5-gulden (5-florin) piece.

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(B) Not being legal tender :

The gold ducat.

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Article 5.

The 10-gulden (10-florin) piece, the 5-gulden (5-florin) piece, the gold ducat, the rix-dollar, the gulden (florin) and the half-gulden (half-florin), referred to in Article 2, are coins of these denominations as defined in the coinage Law of 1901¹.

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¹ The relevant passages of the Coinage Act of 1901 will be found under The Netherlands.

DECREE OF THE GOVERNOR-GENERAL No. 229 (JUNE 25TH, 1928).

It is hereby agreed and decided :

(1) To abrogate Article 2 of the Decree of August 5th, 1914, No. 2x (*State Gazette*, No. 538) and the Decree of May 3rd, 1924, No. 1x (*State Gazette*, No. 207);

(2) To provide, by Royal authorisation, that the total sum represented by bank-notes, current credit accounts and other liabilities of the Bank of Java which must be met on demand, must be covered by specie or bullion to the extent of two-fifths;

(3) To provide that at least three-fifths of the compulsory metal cover stipulated in Article 2 of the present Decree must be in the Netherlands Indies and that at least a quarter of the said metal cover must consist of coin which is legal tender to any amount.

NEW ZEALAND.

THE BANKING ACT OF 1908.

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Article 8.

The Governor may by Proclamation declare that any bank incorporated by Royal charter or letters patent, and empowered to carry on the business of banking in New Zealand, and to issue and circulate therein bank-notes of the bank, may lawfully issue and circulate such notes within New Zealand, but subject to the provisions and restrictions in such charter or letters patent contained.

Article 9.

All bank-notes of a bank heretofore or hereafter issued, circulated, or re-issued in New Zealand by a bank under authority of this or any other Act of the General Assembly shall, to the amount of the issue authorised, be a first charge on all the property of that bank (including the paid-up capital, uncalled capital, and reserve fund), being assets for the payment of debts or other obligations contracted or entered upon, or due and payable in New Zealand; and shall be payable in gold only at the office of the bank at the place of issue of the said notes respectively, anything contained in any other Act notwithstanding.

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THE BANKING AMENDMENT ACT OF 1914.

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Article 2.

1. The Governor in Council may from time to time, as he thinks fit, by Proclamation declare that the notes payable on demand by any bank therein named, and then issued or thereafter to be issued or re-issued within New Zealand under any lawful authority in that behalf, shall during the period limited by the Proclamation be everywhere within New Zealand a good and legal tender of money to the amount therein expressed to be payable.

2. No such Proclamation shall be made unless the Governor in Council is satisfied :

(a) In the case of a bank having its head office situated in New Zealand, that, as between the bank and its creditors, the assets of the bank exceed its liabilities by at least the amount of its paid-up capital; and

(b) In the case of a bank having its head office situated outside New Zealand, that, as between the bank and its creditors, the assets of the bank within New Zealand exceed its liabilities therein.

3. Before making any such Proclamation the Governor in Council may require that adequate security be given by the bank for the performance of the condition that the bank shall pay all such notes of its own issue in gold on presentation at the office of the bank at the place of issue of the said notes respectively after the expiration of the period limited by any original Proclamation under this section, or by successive Proclamations thereunder if more than one.

.....

Article 4.

At any time within six months after the expiration of the period limited by an original Proclamation under section two hereof, or by successive Proclamations thereunder if there have been more than one, the Minister of Finance, on being satisfied that a bank-note covered by any such Proclamation has been duly presented for payment at the bank issuing the same and has not been paid, shall, without further appropriation than this Act, pay the same in gold to any *bona fide* holder, not being a bank, who may present the same for payment at the Treasury.

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Article 6.

During the period limited by any Proclamation under this Act, the exportation of gold shall be prohibited unless with the consent in writing of the Minister of Finance. Such consent may be given subject to any conditions or restrictions.

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THE FINANCE ACT OF 1919.

PART I.

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Article 3.

Section 6 of the Banking Amendment Act, 1914 (relating to the exportation of gold from New Zealand), shall not, after the commencement of this Act, apply with respect to the exportation of uncoined gold.

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NORWAY.

[*Translation.*]

LAW OF APRIL 23RD, 1892, WITH SUPPLEMENTARY LAWS GOVERNING
THE BANK OF NORWAY.

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Article 6.

The Bank of Norway has the sole privilege of issuing bank-notes to bearer, involving the obligation on its part to repay them at sight in gold specie (kroner) at their face value.

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Article 14.

Gold specie may be exchanged for bank-notes both at the Head Office and at such branches as the Supervisory Board may designate for this purpose.

If the sum to be refunded by the Bank is not exactly equivalent to a value in gold coin, the difference shall be paid in silver or other fractional coins.

Both at its Head Office and at its branches, the Bank is required to exchange its notes for gold coin (crowns); it is also required, both at its Head Office and at the branches designated by the Supervisory Board for this purpose, to exchange its notes for gold bullion, assayed as to fineness, in accordance with the decision resting with the Supervisory Board, at the price of 2,480 kroner per kilogram of fine gold, less $\frac{1}{4}\%$ cost of minting.

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LAW OF AUGUST 18TH, 1914.

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Article 7, Third paragraph.

In the case of a grave emergency, the Crown may decide that the redemption of bank-notes at sight shall be provisionally suspended. Notwithstanding this suspension of repayment of the bank-notes, the latter shall continue to be legal tender.

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LAW OF NOVEMBER 26TH, 1920.

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Article 9.

The Bank may issue bank-notes for an amount equivalent to its gold reserve and for a further sum not exceeding two hundred and fifty million kroner.

The Bank's gold reserve consists of gold, minted or unminted, which the Bank has in safe keeping or which is in the possession of the Government Mint for the Bank's account.

Article 10.

In the case of a serious emergency, such as a war, menace of war, or serious financial crisis, the Crown may, with the subsequent approval of the Storting, authorise the Bank to issue bank-notes for a further sum not exceeding that fixed in the authorisation. The authorisation shall be given for a definitive period or until it is withdrawn by the Crown.

The Bank must pay a tax to the Treasury on the value of the notes issued under the authorisation given in accordance with the present article. This Tax shall be calculated on the amount of notes in circulation at the time of publication of the financial return (Article 37) and for the period which has elapsed since the previous publication, and it shall be paid at a rate of interest 1% below the discount rate of the Bank at the time of publication of the last-mentioned financial return.

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LAW OF APRIL 17TH, 1875, ON THE MONETARY SYSTEM.

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Article 9.

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Any person who delivers to the Office of the Government Mint gold in such quantities and of such nature as may be stipulated by Royal decree, shall be entitled to receive without undue delay minted 10-krone pieces on payment of $\frac{1}{3}\%$ of the value of the amount minted, and 20-krone pieces on payment of $\frac{1}{4}\%$ of such value.

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PALESTINE.

REGULATIONS OF AUGUST 2ND, 1926, DEFINING THE CONSTITUTION, DUTIES AND POWERS OF THE PALESTINE CURRENCY BOARD.

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Article 7.

The Board will, when required, arrange for the issue against notes tendered in Palestine of drafts or telegraphic transfers payable in sterling in London at a charge not exceeding one per cent. It may vary the charge from time to time within this limit, and may make different charges for drafts and telegraphic transfers.

Article 8.

The Board may fix such minimum limits of value as it thinks fit from time to time for the transactions referred to in the last two preceding regulations.

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Article 13.

Proceeds of the sale of coin and currency notes and all other revenue of the Board shall, after the necessary deductions have been made for all expenses, and for any contributions made to the revenues of Palestine under Section 19 of these regulations, be credited to a fund hereinafter referred to as the Currency Reserve Fund. Any losses which may be incurred will be debited to the Fund.

Article 14.

The Board may invest its funds in securities of the Government of any part of His Majesty's Dominions or in such other manner as the Secretary of State may approve. The extent to which investments may be made will be left to the discretion of the Board, whose duty it will be to hold, subject to any directions which may be received from the Secretary of State, a proportion of its reserve in a liquid form.

Article 15.

The Board shall submit half-yearly to the Secretary of State a statement of the position of the Currency Reserve Fund on the last day of the half-year, including a statement of securities.

Article 16.

The Board shall cause to be published half-yearly in the *Official Gazette* of the Government of Palestine an abstract showing (a) the whole amounts of coin and currency notes in circulation on the last day of the half-year; (b) the total amount of the Currency Reserve Fund of the said day; (c) the nominal value of, the price paid for and the latest known market price of the securities forming the investment portion of the Currency Reserve Fund.

Article 17.

The accounts of all the transactions of the Board will be audited by the Colonial Audit Department.

Article 18.

The Board will submit annually for the approval of the Secretary of State a statement of its transactions during the preceding year.

Article 19.

The Board may, with the approval of the Secretary of State, pay any sum which it thinks proper out of the income from its invested funds by way of contribution to the revenues of Palestine.

Article 20.

When the Board is satisfied, and shall have satisfied the Secretary of State, that its reserves are more than sufficient to ensure the convertibility of the currency, and to provide a reasonable reserve against possible depreciation, the Board may pay over the whole or part of the surplus amount in aid of the revenues of Palestine.

PARAGUAY.

[*Translation.*]

LAW No. 182, OF JANUARY 26TH, 1916.

Article 1.

An institution to be known as the Exchange Office shall be set up for the following purposes :

- (a) To buy and sell minted gold;
 - (b) To issue, exchange and convert notes.
-

Article 3.

The Exchange Office may buy and sell minted gold and shall be authorised to constitute gold deposits abroad for the purpose of transfers and to accept advances against the funds assigned to it under this Law, in agreement with the Ministry of Finance.

Article 4.

For its gold purchasing operations, the Office shall have the following funds in paper :

- (a) Ten million pesos which are legal tender, representing the remainder of the issue authorised by Law No. 90, of August 14th, 1914;
- (b) The amount realised by sales of gold;
- (c) The funds available in the Agricultural Bank.

Article 5.

For its gold selling operations, the Office shall have the following funds :

- (a) The gold proceeds of the exports of the Agricultural Bank;
- (b) The gold obtained in accordance with the present Law;
- (c) The entire gold revenue of the State;
- (d) Such other resources as may be assigned to it by subsequent laws.

Article 6.

The Treasury Directorate shall draw on the Exchange Office in gold or paper, at the selling rate, to the amount of its receipts from the fiscal revenue referred to in paragraph (c) of Article 5; the Agricultural Bank shall likewise draw in paper, also at the selling rate, against its gold payments and against the payments made in accordance with paragraph (c) of Article 4.

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Article 9.

The following shall be assigned to the conversion funds :

- (a) Six hundred thousand gold pesos from the conversion funds referred to in Law No. 96, of September 25th, 1914;
- (b) The duty of one gold peso on each cow-hide exported, once the Government's debt to the Bank of the Republic has been discharged;

- (c) The additional duty on the export of hides imposed by Law No. 172 of December 24th, 1915;
- (d) The balance of the loan authorised by the Law of November 28th, 1912;
- (e) Such other resources as may be assigned by subsequent laws.

Article 10.

The date and rate of conversion shall be fixed by another law. Pending the promulgation of that law, the Office may employ the conversion funds for authorised buying and selling operations.

Article 11.

As soon as conversion begins, the Exchange Office shall deliver upon request minted gold in exchange for notes which are legal tender. The latter shall not be put back into circulation except in exchange for minted gold. The Office shall likewise be required to exchange minted gold for notes which are legal tender and which it shall issue for the purpose when the quantity of notes in circulation is inadequate.

Article 12.

The Exchange Office shall destroy each week by fire the proceeds of an additional import duty which shall be established by the Law relating to the General Budget.

Article 13.

As from the entry into force of the present Law, the exportation of cow-hides, tobacco, mate and tannin shall be subject to the following conditions: In addition to the duties fixed, the exporter shall remit to the Exchange Office up to 20 % of the current price of the said articles in consuming markets in minted gold, in cash or in bills at not more than ninety days' date and shall receive in exchange paper money at the rate of sale of gold by the Office, subject to a deduction not exceeding 4 %.

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DECREE No. 4580, OF MARCH 20TH, 1916.

Article 1.

The Ministry of Finance shall take the necessary steps to see that all fiscal gold revenue shall be placed to the account of the Exchange Office for the purposes of Articles 5 and 6 of Law No. 182.

Article 2.

The Exchange Office shall take over the sum of seven hundred and fifty-seven thousand, eight hundred and twenty-seven pesos, forty-two centavos in minted gold (\$757,827.42) deposited with the Bank of the Republic, in accordance with Decree No. 2548, of December 21st, 1914, for the purposes of Article 9, paragraph (a), of Law No. 182, and the General Treasury shall be credited with the sum of one hundred and fifty-seven thousand, eight hundred and twenty-seven pesos, forty-two centavos in minted gold (\$157,827.42), in accordance with Article 8 of Law No. 193.

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DECREE No. 4717, OF APRIL 7TH, 1916.

Article 1.

The Directorate of the Exchange Office shall take over, after an inventory has been taken, the printed notes and funds for exchange held by the Treasury of the National Debt Section of the Agricultural Bank of Paraguay.

Article 2.

The Exchange Office is authorised to employ the above-mentioned notes, details of which appear in the accounts of the Agricultural Bank, for the purposes stipulated by the law.

Article 3.

Unsigned notes intended to be put into circulation shall have the signatures of the President and Manager of the Exchange Office lithographed on them.

Article 4.

Henceforward, the Directorate of the Exchange Office shall be responsible for the control of the notes intended to be burnt and shall send a copy of the relevant documents to the General Accounts Department and Directorate of the Treasury.

Article 5.

The Exchange Office is authorised to render valid and put into circulation, as and when its operations require, the printed notes now in the Treasury for its account; it shall arrange for the numbering of the notes in ascending order and shall comply with the other formalities laid down in Article 3.

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DECREE No. 4757, OF APRIL 12TH, 1916.

Article 1.

The Directorate of the Exchange Office is authorised to fix, in units of coin for each particular case and in agreement with the Ministry of Finance, the quantity of minted gold in coin or bills to be remitted by each exporter, within the limits laid down in Article 13 of Law No. 182.

Article 2.

As soon as the above-mentioned provision comes into force, no shipment of cow-hides, tobacco, mate or tannin for export shall be authorised by the Customs of the Republic without the presentation of a certificate, on a printed form, issued by the Exchange Office or agencies of the Agricultural Bank authorised for the purpose, stating that the provision of Article 13 of the Law in question has been complied with.

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DECREE No. 4832, OF APRIL 24TH, 1916.

Article 1.

As from May 1st next, all fiscal gold revenue, with the exception of the export duty of one gold peso on hides, collected in bonds for account of the Bank of Paraguay, shall be deposited with the Exchange Office and placed to the "General Treasury" account, the fiscal forms stipulated by Decree No. 4757 being employed and the credit note sent to the General Directorate of Taxes for the corresponding entry to be made.

Article 2.

The General Directorate of Taxes shall give instructions for the monthly liquidation of the proceeds of the additional duty on hides imposed by Law No. 172 and earmarked for the conversion funds, and these proceeds shall be transferred to the Conversion Office by order of the Ministry of Finance and through the General Accounts Department.

Article 3.

The Directorate of the Treasury shall draw, on the gold deposits referred to in Article 1, through the Ministry of Finance, for the payment of the gold liabilities of the State, or for conversion into paper which is legal tender.

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DECREE No. 4862, OF MAY 1ST, 1916.

Article 1.

As from this date, import and excise duties and any sum owing to the Treasury which the debtor prefers to pay in paper which is legal tender, shall be collected at the rate fixed by the Exchange Office.

Article 2.

For the purposes of the preceding article, the Exchange Office shall communicate daily to the Ministry of Finance and the General Directorate of Taxes the rate fixed for that day, which shall hold good for the following day for the collection of fiscal duties.

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LAW No. 550, OF OCTOBER 23RD, 1923.

Article 1.

The Exchange Office shall be authorised to issue notes which shall be legal tender, against minted gold at the present rate fixed by the Office. The Exchange Office may likewise deliver minted gold on request in exchange for notes which are legal tender, at the rate of the issue made in accordance with the present Law.

Notes redeemed in this way shall not be put back into circulation except in exchange for minted gold.

Article 2.

For the application of the present Law, the Exchange Office may arrange to have notes printed abroad at its expense.

Article 3.

Pending the arrival of the notes from abroad, the Exchange Office may use, for the purpose of applying the present Law, the notes earmarked for exchange in accordance with Law No. 463, of December 30th, 1920.

Article 4.

The regulations giving effect to the present Law shall be issued by the Federal Executive, which shall supervise its application.

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COINAGE LAW, 1930.

Article 1.

The peso of 16 grammes, 129 thousandths of gold, with a fineness of 900 thousandths and 100 thousandths of alloy, known as the Paraguayan peso, shall be the monetary unit for Paraguay.

Article 2.

The Paraguayan gold peso shall be divided into 100 centavos.

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Article 4.

In relation to the Paraguayan gold peso, the Paraguayan paper peso, with its present multiples and sub-multiples, shall be considered legal tender within the country, one Paraguayan gold peso being equivalent to forty-two dollars, sixty-one centavos (\$42.61) Paraguayan paper currency.

Article 5.

The amount in circulation of the old issue shall be limited to the following amounts :

Nickel currency : \$5,604,505;

Notes which are legal tender : \$166,351,556.

In addition, paper money already issued or which may hereafter be issued by the Exchange Office, in virtue of Law 550, shall form part of the currency in circulation. These coins and paper notes shall be legal tender throughout the country and shall accordingly be accepted at par up to any sum in payment of taxes and of public or private debts.

Article 6.

Nickel coins and notes up to \$10 nominal value inclusive, at present in circulation, shall be regarded as inconvertible subsidiary coins. Consequently, they shall not be accepted by the Exchange Office in payment of gold coins or foreign exchange payable in gold, nor shall they be issued by the Office in exchange therefor.

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Article 8.

The Exchange Office shall be responsible for the currency at present in circulation. It shall have the sole right to print, issue and exchange paper notes or to issue subsidiary coins with the approval of the Federal Executive.

Article 9.

The Exchange Office, in conjunction with the Federal Executive, shall decide as to the advisability and date of introducing the Paraguayan gold peso as a basis for the international exchange of the paper money in internal circulation.

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PERSIA.

[*Official Translation.*]

LAW OF THE 24TH MEHR, 1305 (SOLAR) ¹.

Article 1.

The export from the frontiers of gold and silver, whether coined or in the form of bars, dust and the like, is strictly prohibited. However, each traveller may have about him a maximum of 12 tomans' worth of coined gold and silver when travelling across the frontier.

Article 2.

As for the export of manufactured articles in gold and silver, to which the prohibition mentioned above does not apply, the Ministry of Finance shall insert definite provisions in the Regulations to be made for the execution of the present law.

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The present law, comprising three articles, is sanctioned by the National Consultative Assembly in their meeting of the 24th, Mehr, 1305 (solar).

[*Translation.*]

LAW OF THE 23RD ESFAND, 1307 (SOLAR) ².

Article 1.

The import of coined gold and silver is free and exempt from Customs duties.

Note.—From this date on, the minting in foreign countries of coins current in Persia is forbidden and the import of these coins will no longer be authorised.

Article 2.

The export of silver coined or in bars or in dust is forbidden, exception being made for works in silver of Persian or foreign make as well as for foreign coins.

Note.—Each traveller may export with him up to 12 tomans in silver coin.

Article 3.

The provisions of the articles of the Law of the 24th Mehr, 1305 (solar), which concern silver are repealed.

The present law, comprising articles, is approved by Parliament in its meeting of the 23rd Esfand, 1307 (solar).

¹ October 17th, 1926.

² March 14th, 1929.

PERU.

[*Translation.*]

LAW No. 4500, OF MARCH 8TH, 1922.

Article 14.

When the international financial situation becomes normal, the Federal Executive, on application from the Directorate of the Bank, shall authorise the Bank permanently to convert bank-notes in the manner laid down in the preceding article.

Article 15.

2. Furthermore, as an additional guarantee for the same, the Bank shall retain promissory notes, drafts, bills of exchange or acceptances acquired in conformity with the provisions of sections (a), (b), and (c) of Article 11 or notes (*pagarès*) acquired in conformity with section (d) of the same article, subject to the limitation that the said notes must not exceed 10 % of the total cover for the bank-notes. The amount of gold and of funds payable in gold in foreign countries referred to in the said section, together with the holdings of commercial paper, shall be not less than the total value of notes in circulation. The Bank shall further retain in its vaults, as its own independent cover for its sight liabilities, a reserve in gold and balances of the character set forth in the preceding paragraph, which shall never be less than 50 % of the said liabilities. This reserve may not be taken into account when computing the amount in gold and foreign balances for the bank-notes.

LAW No. 6747, OF FEBRUARY 10TH, 1930.

The articles given below of Law No. 4500 are hereby amended to read as follows :

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Article 13.

The Bank shall have the exclusive right to issue bank-notes, for only the following purposes :

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(8) For the purpose of mobilising deposits of gold coin, gold bullion or gold in any other form at the rate of 6 grammes 018.5 milligrammes of fine gold per coin of 10 Peruvian dollars, and of 30 grammes 092.6 milligrammes per coin of 50 Peruvian dollars.

Subject to the provisions of Article 14, the said notes shall be paid, on presentation at the Bank's office in Lima, in gold coin of the weight and fineness provided for, or in drafts on foreign countries.

In the latter case, payment shall be made as the holder shall choose, in telegraphic transfers, in drafts payable at sight or in cheques drawn by the Bank in United States of America dollars on New York or in sterling on London, on the basis of the gold parity of the currency concerned, deduction being made of the actual cost of transport of gold from Lima to New York or London as the case may be.

Article 15.

1. As cover for the bank-notes mentioned in Article 13, the Bank shall hold in its vaults gold coin and gold bars at the rate of 6 grammes 018.5 milligrammes of fine gold per coin of 10 Peruvian dollars, and of 30 grammes 092.6 milligrammes per coin of 50 Peruvian dollars, and gold exchange in the form of balances in dollars in New York or pounds sterling in London whose free export in gold is allowed by the issuing Government and which shall be calculated at its exchange value into gold in Lima according to the rate of the day. The gold and balances in question must be equal to at least 50% of the amount of the bank-notes in circulation.

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LAW No. 6746, OF FEBRUARY 10TH, 1930.

Article 1.

The monetary unit of the Republic shall be the Peruvian gold dollar (sol), which shall contain six hundred and one thousand, eight hundred and fifty-three millionths (0.601853) of a gramme of fine gold.

Article 2.

Gold shall be coined in pieces of 10 and 50 Peruvian gold dollars.

The 10-dollar piece shall be a disc 21 millimetres in diameter, and shall weigh six grammes six hundred and eighty-seven and two-tenths milligrammes (6.6872) with a fineness of 900/1000ths (nine hundred thousandths), containing therefore six grammes eighteen and five-tenths milligrammes (6.0185) of fine gold.

The 50-dollar piece shall be a disc 34 millimetres in diameter, and shall weigh thirty-three grammes four hundred and thirty-six and two-tenths milligrammes (33.4362) with a fineness of 900/1000ths (nine hundred thousandths), containing therefore thirty grammes ninety-two and six-tenths milligrammes (30.0926) of fine gold.

Article 3.

The remedy for weight in the case of separate or individual coins shall be 3 milligrammes either way for coins of 10 Peruvian dollars, and 66 milligrammes for coins of 50 Peruvian dollars. In the case of quantities of one thousand coins or more the remedy shall be one-third of that allowed for individual coins.

The remedy for fineness shall be one-thousandth either way.

Article 4.

The Federal Power shall determine the design for the new gold currency.

Article 5.

There is no limit to the amount of gold which may be coined. The National Mint shall accept for conversion into national currency all gold handed to it, whether in bars, ingots or other currency.

Article 6.

The Federal Executive shall fix the royalty to be paid for coining.

Article 7.

Export of gold, whether specie or bullion, shall remain free. The gold contained in ore or bars of other metals, in concentrates, and in any other metallurgical product whatsoever, shall be subject to the export tax prescribed by law.

Article 8.

Pending the coining of the new gold currency, the Reserve Bank shall convert circular cheques and notes, for the needs of international exchange, into drafts on New York or London. The Federal Executive, on application from the Reserve Bank, shall give the Bank authority both for the previous conversion into drafts and for the conversion into coin (*i.e.*, into the new gold currency) of the said notes and circular cheques.

Article 9.

The notes issued by the Reserve Bank, in conformity with the law establishing it, shall in future represent Peruvian gold dollars, and those at present in existence may be restamped while the new currency is being coined.

Article 10.

Gold currency, in conformity with this law, and the notes representing the same issued by the Reserve Bank shall be legal tender up to any amount.

Article 11.

Debts contracted in Peruvian pounds and in circular cheques or notes of the Reserve Bank shall be converted at the rate of 10 Peruvian dollars for each pound.

Any agreement or transaction of whatsoever kind contrary to this provision is hereby declared null and void.

Article 12.

Gold which, by reason of the new gold standard established by the present law, remains as a surplus, shall be left at the disposal of the Reserve Bank, the whole of it being available for purposes of stabilisation or increase of the note issue.

Article 13.

The silver Peruvian dollar, minted in accordance with the laws in force, shall have the same legal value as the gold Peruvian dollar, but shall only be legal tender up to 100 Peruvian dollars. The State shall have the sole right to mint silver coinage.

Article 14.

Previous currency laws are hereby abrogated in so far as they are contrary to the present law.

PHILIPPINE ISLANDS.

ACT No. 2938, OF JANUARY 30TH, 1921 (AMENDING ACTS Nos. 2612 AND 2747).

Section 10.—Said National Bank is hereby authorised :

(a) To purchase or discount promissory notes, drafts and bills of exchange issued or drawn for agricultural, industrial or commercial purposes, with the securities required by the Bank, or the proceeds of which have been used or are to be used for such purposes.

Section 14.—Said National Bank is hereby authorised to issue circulating notes in an amount not exceeding the paid-up capital stock and surplus of said Bank plus the amount of gold coin of the United States of America held in the Bank's own vaults or to its order in the Treasury of the Philippine Islands or of the United States or in solvent National Banks of the United States or in any Federal Reserve Bank thereof; provided, however, that in cases of emergency, and subject to the approval of the Board of control, the Secretary of Finance may authorise the National Bank to rediscount commercial paper of not over six months maturity, secured by exports or imports, and may issue against said commercial paper circulating notes for sums not to exceed seventy-five per centum of the value thereof, the remaining twenty-five per centum of the issue to be deposited in lawful currency in the vaults of the Insular Treasury, as a reserve for their redemption.

Said circulating notes, if issued in cases of emergency, shall be subject to a tax in favour of the Insular Government of one-fourth of one per centum per month.

The securities described in section ten, sub-section (a), of this Act, and the proceeds thereof shall be held inviolable for the payment and redemption of said circulating notes. Said circulating notes shall be engraved and shall be payable on demand to the bearer in lawful money of the Philippine Islands. There shall, at all times, be held by said National Bank, a sum not less than twenty-five per cent of the total amount of said circulating notes issued and outstanding and not covered by gold coin of the United States as herein provided for in lawful money of the Philippine Islands.

Said sum shall be available only for the purpose of redeeming the circulating notes herein provided for.

It is hereby further provided that, in addition to the circulating notes above provided for, said National Bank shall have authority to issue its circulating notes against gold coin of the United States to the full value thereof; provided, however, that such gold coin against which circulating notes have been issued shall be held by said Bank and used for no other purpose except the redemption of said circulating notes. The said Bank, however, shall have the privilege of redeeming said circulating notes in any lawful money of the Philippine Islands. Such circulating notes shall be exempt from any and all taxes levied or assessed by the Philippine Government, or any department, division or sub-division thereof.

The said circulating notes shall be receivable by the Philippine Government in payment of all taxes, dues or other claims due or owing to said Government, and shall be redeemed by the Bank on demand, in lawful money of the Philippine Islands, at the Central Office in Manila.

ACT No. 3058, OF JUNE 13TH, 1922 (AMENDING CERTAIN ARTICLES
OF THE ADMINISTRATIVE CODE).

Article II.

Section 1611.—The unit of value in the Philippine Islands shall be the gold peso consisting of twelve and nine-tenths grains of gold, nine-tenths fine; two pesos gold shall be equal in weight, fineness and value to the gold standard dollar of the United States.

Section 1612.—The Philippine silver peso and half-peso, and gold coins of the United States at the rate of one dollar for two pesos, shall be legal tender for all debts, public and private, unless otherwise specifically provided by contract. Philippine subsidiary coins of twenty centavos and ten centavos shall be legal tender in amounts not exceeding twenty pesos. Philippine minor coins of nickel and copper shall be legal tender in amounts not exceeding two pesos.

Section 1613.—The lawful weight and fineness of Philippine coins shall be as follows, and all coins hereafter coined shall be minted in accordance therewith :

The peso shall be equal to one hundred centavos and shall contain twenty grammes of silver 800/1000ths (eight hundred thousandths) fine;

The fifty-centavo piece shall contain ten grammes of silver 750/1000ths (seven hundred and fifty thousandths) fine;

The twenty-centavo piece shall contain four grammes of silver 750/1000ths (seven hundred and fifty thousandths) fine;

The ten-centavo piece shall contain two grammes of silver 750/1000ths (seven hundred and fifty thousandths) fine.

The alloy of the above-mentioned silver coins shall be copper.

The five-centavo piece shall contain four grammes and eighty-seven centigrammes of an alloy composed of seventy-five per cent of copper and twenty-five per cent of nickel;

The one-centavo piece shall contain five grammes and one hundred and eighty-four milligrammes of an alloy composed of ninety-five per cent of copper and five per cent of tin and zinc.

Section 1614.—At the request of the Insular Treasurer and with the approval of the Secretary of Finance and of the Governor-General, the coins authorised under the provisions of section sixteen hundred and thirteen may be coined in the amounts necessary to meet the legitimate demands of commerce.

Article V.

Section 1621.—For the purpose of maintaining the parity of the Philippine silver peso with the Philippine gold peso, and of keeping the currency equal in volume only to the demands of trade, the Insular Treasurer is hereby authorised and directed :

(a) On demand, at the Insular Treasury in Manila, to sell for Philippine currency offered in sums of not less than ten thousand pesos or currency issued by and/or under the authority of the United States, offered in sums of not less than five thousand dollars,

exchange for equivalent amounts on the "Gold Standard Fund" deposited in the United States, charging for the same a premium of three-quarters of one per centum for demand drafts and of one and one-eighth per centum for telegraphic transfers; and the Insular Treasurer is further authorised and directed to instruct the depositories of funds of the Philippine Government in the United States to sell on demand, in sums of not less than ten thousand pesos, exchange against the "Gold Standard Fund" in the Philippine Islands, charging for the same a premium of three quarters of one per centum for demand drafts and of one and one-eighth per centum for telegraphic transfers, rendering accounts therefor to the Insular Treasurer and the Insular Auditor. All such dealings in exchange shall constitute operations through the "Gold Standard Fund" hereinafter provided for. The premium charge for drafts and telegraphic transfers mentioned in this paragraph may be temporarily increased or decreased by order issued by the Secretary of Finance, should conditions at any time existing, in his judgment, require such action.

(b) To exchange at par, on the approval of the Secretary of Finance, currency issued by and/or under the authority of the United States, for Philippine currency, and Philippine currency for currency issued by and/or under the authority of the United States.

(c) To exchange, on the approval of the Secretary of Finance, United States gold coin or gold bars in sums of not less than ten thousand pesos or five thousand dollars, for Philippine currency, charging for such gold coin or bars a premium sufficient to cover the expense at commercial rates of transporting United States gold coin or bars from New York to Manila. The Secretary of Finance shall determine the amount of premium required by this sub-section.

(d) To withdraw from circulation Philippine currency received in the Insular Treasury in Manila in the manner provided in paragraphs (a), (b) and (c) of this section, until said Philippine currency is paid out in response to the demands upon it by the sale of exchange in the United States as provided in paragraph (a) of this section, or until said Philippine currency is needed at the Insular Treasury for the purpose of effecting exchanges of said Philippine currency for currency issued by and/or under the authority of the United States and for United States gold coin or gold bars as provided by paragraph (b) of this section.

(e) To withdraw from circulation currency issued by and/or under the authority of the United States and United States gold coin and gold bars received in the Philippine Islands by the Insular Treasurer in exchange for Philippine currency, or for exchange sold on the "Gold Standard Fund" in the United States, under paragraphs (a) and (b) of this section, until called out in response to the presentation of Philippine currency as above provided, or until an insufficiency of Philippine currency shall make necessary an increased coinage, in which case the funds so withdrawn may be used under this Act for the purpose of providing such coinage. The money so obtained shall become part of the "Gold Standard Fund".

Article VI.

Section 1622.—There is hereby constituted in the Insular Treasury a separate and trust fund, designated as the "Gold Standard Fund", which shall at all times be maintained in a sum not less than fifteen per centum of the money of the Government of the Philippine Islands in circulation and available for circulation, including both coin and Treasury certificates. If, at any time, and for any reason, said fund shall fall below the minimum hereinabove fixed, the deficiency shall be made up out of any funds then in the Insular Treasury or thereafter paid into the Treasury, not specifically appropriated to meet the payment of the principal, sinking fund, or interest of the public debt, and such amount shall be considered as automatically appropriated for this purpose, and the Insular Treasurer is hereby authorised and directed to transfer the necessary amount to the "Gold Standard Fund" to make good any such deficiency therein.

In determining the minimum limitation of the "Gold Standard Fund" for any purposes in

this Act, the proceeds of outstanding certificate of indebtedness shall not be counted as a part of the fund.

To the fund, there shall be added from time to time the following :

(a) All profits of seigniorage made by the Insular Government in the purchase of bullion and the coinage therefrom, and the issue of Philippine pesos and subsidiary and minor coins, as well as all profits derived from the re-coinage of Philippine coins of greater weight and fineness than those prescribed by this Act;

(b) All profits from the sale of exchange by the Insular Government between the Philippine Islands and the United States for the purpose of maintaining the parity of the Philippine silver peso with the gold standard peso;

(c) All premiums arising from the sale of inter-island telegraphic transfers and demand drafts by the Insular Treasurer in Manila upon provincial treasurers;

(d) All net proceeds of forfeitures of silver coin or bullion the exportation or importation of which is attempted or affected contrary to law;

(e) All interest or other profit from deposits made from the "Gold Standard Fund" in accordance with law.

(f) All other receipts derived by the Insular Government from the exercise of the functions of furnishing a currency for the Philippine Islands.

Such fund shall not be used to pay any of the expenses of the Government of the Philippine Islands or to satisfy any of the appropriations of said Government except only such expenses as follows :

(a) Those connected with the purchase of bullion, the coinage of the same into money of the Philippine Islands, and those expenses which are incidental to such coinage;

(b) Those connected with the putting of the money into circulation, including the preparation, issue, and destruction of treasury certificates, and including additional compensation to the members of the committee provided for in section sixteen hundred and twenty-five, paragraph (g) of this Act;

(c) Those connected with the carrying on of such transactions, by exchange or otherwise, as may be authorised by law to maintain the circulation of the currency of the Philippine Islands, and to maintain the parity of value between the gold standard peso and the Philippine silver peso and subsidiary and minor coins.

Section 1623.—The "Gold Standard Fund" shall be held in the vaults of the Insular Treasury in Manila or may, in part, be held in the form of deposits with such Federal Reserve Banks or member banks of the Federal Reserve system in the United States as may be designated from time to time by the Governor-General to be branches of the Philippine Treasury for receiving such deposits; provided that no portion of the fund shall ever be deposited in any bank doing business in the Philippine Islands or in any branch or agency outside of said Islands of a bank doing business in said Islands, or in any bank doing business outside said Islands which may be controlled by a bank doing business in said Islands through the ownership of stock therein or otherwise; and provided, further, that no more than twenty per centum of the fund shall be deposited with any single depository in the United States, except with the bank where the Insular Treasurer keeps his deposits in current account in connection with his exchange operations. Such portion of the fund as is held in the Treasury at Manila shall be physically segregated in the vaults of the Insular Treasurer and kept separate and detached from all other funds in such vaults, and shall be under the same joint custody of the Committee as provided for the reserve vault in paragraph (e) of section sixteen hundred and twenty-five of this Act.

Philippine silver coin in the "Gold Standard Fund" may at any time be exchanged by the Insular Treasurer for an equivalent amount, at par of gold on deposit in the United States in the "Treasury Certificate Fund".

Section 1624.—Should the minimum of the "Gold Standard Fund", as hereinbefore constituted, be insufficient to maintain the parity of the Philippine silver peso with the gold standard peso, it may be augmented by the proceeds of the sale of certificates of indebtedness as provided by Act of Congress of March second, nineteen hundred and three, as amended. Such proceeds

shall then constitute a part of said Fund. As the public interest permits, the Governor-General, upon the recommendation of the Secretary of Finance, may direct the payment from the fund of the principal and interest of all or any part of the certificates of indebtedness at any time outstanding.

The "Gold Standard Fund" shall be increased in amount through the additions provided for in section sixteen hundred and twenty-two of this Act until the amount of the said fund shall be equal to twenty-five per centum of the money of the Philippine Islands in circulation and available for circulation, including both coin and treasury certificates. Any surplus which may accumulate in the said fund in excess of the said twenty-five per centum may be transferred, in whole or in part, to the general fund of the Insular Treasury upon the recommendation of the Secretary of Finance and the approval of the Governor-General; provided that, in calculating the twenty-five per centum, the proceeds of the sale of outstanding certificates of indebtedness shall not be included, and provided, further, that no surplus shall be so transferred while certificates of indebtedness are outstanding.

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Article VII.

Section 1626.—The Treasurer of the Philippine Islands is hereby authorised, in his discretion, to receive at the Insular Treasury or at any of its branches, deposits of silver pesos or half-pesos authorised herein, in sums of not less than twenty pesos, and to issue therefor treasury certificates of an equivalent face amount, in denominations of not less than one peso, nor more than five hundred pesos. Coin so received shall be retained in the Treasury and held for the payment of such certificates on demand and used for no other purpose, and shall constitute a separate and trust fund in the Insular Treasury, to be known as the "Treasury Certificate Fund".

The "Treasury Certificate Fund" shall, at all times, be equivalent in amount to one hundred per centum of all treasury certificates in circulation and available for circulation, and shall be constituted of silver coins received in exchange for the treasury certificates, and shall be held in the vaults of the Insular Treasury in Manila, and not elsewhere, provided, however, that, when the Government's supply of silver coin is insufficient to meet the demands of trade, gold coin of the United States may be substituted temporarily for silver pesos in the fund to such an extent as may be found necessary to release silver coins for circulation, pending the purchase of silver bullion for the coinage of silver coins, which silver coins shall immediately be substituted for the gold placed in the fund, and provided, further, that, as first set up and established by the provisions of this Act, and until such time as the Governor-General in writing may direct the purchase of silver bullion for the coinage of additional silver coins, the "Treasury Certificate Fund", instead of being constituted wholly of silver coins held in the vaults of the Insular Treasury in Manila, may be constituted in part of currency issued by and/or under the authority of the United States, held in Manila and on deposit with such Federal Reserve Banks or member banks of the Federal Reserve System in the United States as may from time to time be designated by the Governor-General to be branches of the Philippine Treasury for receiving such deposits. The "Treasury Certificate Fund" shall be segregated physically from all other funds in the Insular Treasury, and it shall be held under the joint custody of the Reserve Vault Committee.

ACT No. 3174, OF NOVEMBER 24TH, 1924 (AMENDING CERTAIN SECTIONS
OF ACTS. Nos. 2612, 2747 AND 2938).

Section 3.—The Government of the Philippine Islands hereby guarantees the final redemption and payment of the circulating notes of the National Bank, and the Insular Treasurer is hereby authorised and directed to set aside from the proceeds of the bonds sold by authority of Act

numbered twenty-nine hundred and ninety-nine a sufficient sum to cover the reserve required by law for the circulating notes of the Bank, and said sum shall be deposited to the credit of the National Bank in a duly authorised depository or depositories of the funds of the Government of the Philippine Islands in the United States and shall be carried on the books of the National Bank as a deposit of said Government; provided, that the Bank shall not dispose of said circulating notes reserve except upon recommendation of the Secretary of Finance approved by the Governor-General.

The National Bank shall redeem and cancel its circulating notes in annual sums as the Secretary of Finance, with the concurrence of the Governor-General, may from time to time determine, until the amount thereof shall not exceed the amount of the unencumbered paid-up capital of the Bank.

Section 4.—The net profits of the National Bank shall be apportioned semi-annually as follows :

Fifty per centum to a surplus fund until the latter shall equal fifty per centum of the capital stock of the Bank, and thereafter twenty-five per centum of said net profits until said surplus fund shall equal the capital stock.

The rest of the net profits shall be apportioned as follows, in the order mentioned :

(a) To establish a special reserve for its circulating notes. This reserve shall finally equal twenty-five per centum of said circulating notes and shall be kept on deposit in a duly authorised depository or depositories in the United States and the Bank shall not dispose thereof except upon recommendation of the Secretary of Finance, approved by the Governor-General. The Bank shall semi-annually return to the Government a portion of the funds taken from the proceeds of the bonds sold by authority of Act numbered twenty-nine hundred and ninety-nine, as provided in section three of this Act, equivalent in amount to the net profits set aside for its special reserve by virtue of this paragraph.

POLAND.

[*Official Translation.*]

**DECREE OF THE PRESIDENT OF THE REPUBLIC
DATED OCTOBER 13TH, 1927, CONCERNING THE STABILISATION
OF THE ZLOTY.**

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Article 5.

The minting of gold coins is performed for account of the State Treasury, and for account of private persons who might wish to hand over a quantity of gold for that purpose, containing not less than 100 grammes of pure gold.

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**DECREE OF THE PRESIDENT OF THE REPUBLIC
DATED NOVEMBER 5TH, 1927, CONCERNING THE CHANGE OF THE MONETARY
SYSTEM REGULATIONS.**

Article 1.

The Government has the sole right and exclusive privilege of minting.

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Article 8.

The minting of gold coins for account of private persons may be done on conditions laid down by the Minister of Finance and at the person's own expense, in denominations which the Minister may deem best for circulation.

The coins other than the gold ones are minted exclusively for account of the Treasury.

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STATUTES OF THE BANK OF POLAND.

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Article 47.

The Bank shall be obliged to give gold coins in exchange for bank-notes on demand and without limitation as to amount.

The date of the beginning of the obligatory convertibility of bank-notes into gold in accordance with the monetary law shall be fixed by a Decree of the Council of Ministers, issued on the recommendation of the Minister of Finance and based on a resolution of the Council of the Bank.

Pending the establishment of convertibility of bank-notes as contemplated in the first section of this Article, the bank-notes shall be payable at the Bank's option in :

- (a) Gold coins;
- (b) Gold bars at the relation of 5924.44 zlotys to one kilogramme of fine gold;
- (c) Foreign drafts in currencies convertible into gold according to mint parity; the Bank is entitled to charge in such cases a premium equal to forwarding charges of gold from Warsaw to the locality where the drafts are payable.

The bank-notes shall be convertible only at the Head Office of the Bank at Warsaw, and only in amounts exceeding 20,000 zlotys.

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Article 51.

The notes in circulation and the sight liabilities of the Bank must be covered to the amount of at least forty per cent by the following :

- (a) Gold in coins and bars;
- (b) Silver at its gold value, which item however may not exceed five per cent of the holdings of gold;
- (c) Foreign monies;
- (d) Balances with foreign banks of highest standing payable on demand or on not more than thirty days notice;
- (e) Cheques and drafts on foreign banks of highest standing payable at sight;
- (f) Bills of exchange accepted or endorsed by foreign banks of highest standing and payable within a period of ninety days.

The assets specified in paragraphs (c), (d), (e) and (f) must be in terms of foreign currencies convertible into gold.

The Council of the Bank shall determine which foreign currencies comply with the above conditions.

In calculating the net reserve the following items shall be deducted :

- (a) Sums derived from loans secured by the gold of the Bank;
- (b) The Bank's obligations in foreign currencies payable within a period of ninety days.

The Bank shall carry three-fourths of its minimum reserve requirements, calculated according to this article, in gold coin and bars.

Article 52.

Whenever the reserve ratio calculated in conformity with Article 51 shall fall below forty per cent, the Bank shall pay to the Treasury a tax on the excess circulation of notes above the sum covered to the amount of forty per cent according to the following scale :

3 %	per annum if the reserve ratio falls below 40 %
6 %	per annum if the reserve ratio falls below 37 %
10 %	per annum if the reserve ratio falls below 34 %
	to 30 % inclusive

and finally, in case of a further fall, the ten per cent tax shall be increased by one per cent for each one per cent by which the reserve ratio falls below thirty per cent.

The tax shall be computed every ten days in connection with the preparation of the ten-day balance sheets.

If the reserve ratio falls below forty per cent, the discount rate of the Bank must exceed six per cent by at least one-third of the rate of the tax paid to the Treasury.

Article 53.

Bank-notes in circulation which are not covered by assets specified in Article 51 must be covered by :

- (a) Bills of exchange and other securities specified in Article 55, paragraph (a);
- (b) Polish silver coins and token money, not in excess however of five per cent of the total amount of bank-notes issued;
- (c) Loans against securities specified in Article 63;
- (d) Interest bearing securities as specified in Article 55, paragraph (e);
- (e) The debt of the State Treasury on account of the non-interest-bearing credit, of which the Treasury may avail itself up to the amount of 50 million zlotys throughout the duration of the Bank's privilege of note issue.

Article 54.

The Bank will buy gold against bank-notes on demand at the statutory relation with a deduction of charges for minting, testing and other fees collected by the Government.

PROGRAMME OF STABILISATION OF THE GOVERNMENT OF THE
REPUBLIC OF POLAND ¹.

Annex to Part II.

(a) *Reserve Requirements.*—The Reserve requirements of the Bank of Poland will, as authorised by the Statutes of the Bank, be increased to 40 % and such requirements will be applicable to both note and deposit liabilities. The Bank will carry three-fourths of its minimum reserve requirement in gold coin or bullion and at least two-thirds of this gold coin and bullion will be carried in the vaults of the Bank, and the remaining one-third may be carried under earmark abroad.

DECREE OF THE PRESIDENT OF THE REPUBLIC,
DATED FEBRUARY 15TH, 1928, CONCERNING THE EXPORT OF GOLD.

By virtue of Article 44, paragraph 6, of the Constitution and by virtue of the Law of August 2nd, 1926, authorising the President of the Republic to issue decrees with the force of law (*Journal of Laws* of the Republic of Poland, No. 78, paragraph 448), I decree the following :

Article 1.

The export from the country of gold in the form of bullion or coin, or in moulds of a character other than that of articles ready for use, as well as un-manufactured gold of every description, is prohibited, with the exception of cases covered by Article 2.

¹ The Programme of Stabilisation was annexed to the Decree of the President of the Republic of October 13th, 1927, and it has, therefore, the force of law.

Article 2.

The export from the country of gold in the forms named in the preceding article is allowed, provided that the person taking out such gold proves that the same quantity of gold was imported into the country by him or her in any of the forms named.

Certificates issued by the customs office or by outposts of the Treasury Frontier Control, testifying to the import of gold, describing the form in which it was imported, its approximate value or the approximate weight of pure gold and naming the importer, will be considered exclusively as sufficient proof of import. Such certificates are valid during a period of two months from the date of issuance and entitle the person mentioned therein to take out of the country, during the above-mentioned period, either the articles covered by the certificate or their equivalent in value or contents of pure gold, in any of the forms prohibited for export (by virtue of Article 1).

Customs offices and outposts of the Treasury Frontier Control will issue certificates of import of gold, upon demand of the interested parties, only in cases when the gold imported falls within the specification of Article 1, prohibiting export.

PORTUGAL.

[*Translation.*]

STATUTES OF THE BANK OF PORTUGAL APPROVED BY THE DECREES OF APRIL 13TH, 1892, AND JULY 16TH, 1906.

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Article 18.

The bank-notes of the Bank shall be payable on demand, both at the Lisbon head office and at branches or agencies, without distinction. In districts where there are no agencies, the Bank shall, in agreement with the Government, arrange for notes to be exchanged through the District (*comarca*) Revenue Offices.

Section 1.—In exceptional cases of crisis or panic involving a run on the Bank, the latter may, with the permission of the Government, restrict the convertibility of bank-notes whenever this is essential to maintain the minimum metal reserve.

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DECREE No. 4144 (APRIL 23RD, 1918).

Article 1.

The Government is authorised to conclude a Convention with the Bank of Portugal in accordance with the provisions¹ of the sections annexed to the present Decree and forming an integral part thereof.

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CONVENTION CONCLUDED ON APRIL 29TH, 1918, BETWEEN THE BANK OF PORTUGAL AND THE GOVERNMENT IN VIRTUE OF DECREE No. 4144, OF APRIL 23RD, 1918.

Article 1.

The sums due as at December 31st, 1917, in respect of :

The Pensioners and Retired Officials Loan under the terms of the Law of July 29th, 1887, and of the Decree of December 8rd, 1891;

The Conventions of December 4th, 1891, and July 14th, 1893;

The bills or notes of the internal floating debt discounted by the Bank for account of the Government, and the advances made to the Treasury;

And that portion of the balance of the Treasury's current account required to make up, together with all the above items, the cash capital of 150 million escudos,

¹ These provisions are not cited here, as the Convention of April 29th, 1918, has a similar text.

—shall, together with their existing guarantees, and inclusive of discounted Treasury notes, form one single loan of the amount above indicated, which shall, as from January 1st, 1918, and during the validity of the present Convention, bear interest at 1 % per annum, discharged and paid quarterly, $\frac{1}{4}$ of the proceeds being applied quarterly to the Sinking and Reserve Fund, created by Law No. 404, of September 9th, 1915.

Under the present Convention, no alteration in the said notes and no other formality for ensuring the validity of the said guarantees shall be required, so long as the Government has not substituted bonds of the consolidated public debt for the Treasury notes.

Any loans or advances in escudos required by the Government during the state of war and for a further period of one year after peace has been signed, and approved by the Bank, shall be added to the amount fixed as above and shall also bear 1 % per annum interest, discharged and paid quarterly, $\frac{1}{4}$ of the proceeds thereof being applied to the Sinking and Reserve Fund. Such loans or advances shall be guaranteed by bonds of the consolidated public debt at the stabilised market rate.

Such loans or advances required by the Government may not exceed 150 million escudos before the end of 1919, and, should the period of transition extend beyond this date, and the State requirements necessitate further loans or advances, these latter may in no case exceed 60 million escudos per annum, and must always be duly secured.

These securities, like those transferred from the existing guarantees for the purpose of the first loan included in the corresponding section, shall be realised partially, gradually and when required, in accordance with an agreement between the Government and the Bank; their cash proceeds shall be devoted to redemption of the Government debt. These bonds may be replaced by other public debt bonds of a similar kind, after agreement between the Government and the Bank.

Loans and advances in gold shall not be subject to the provisions of the present section, and the rate of interest and other conditions affecting them shall be determined by an agreement between the Government and the Bank.

Article 2.

The amount of Bank of Portugal notes in circulation representing gold coin shall not exceed the amount of the Government debt, formed by the loans referred to in Article 1, and incurred in accordance with these regulations plus one half of the said total amount; the latter increase shall, in no case, be less than one half of the debt as established at December 31st, 1917, nor more than $\frac{2}{3}$ of the said debt, subject to the provisions contained in paragraph (b) of the present article. The amount of the notes in circulation may exceed this maximum when it is covered in accordance with the provisions of Article 14 of the Bases annexed to the Law of July 29th, 1887.

(a) The assets assigned by the Bank as cover for the gold note circulation shall consist, apart from the cover formed by the Government debt in accordance with the present Section, solely of the balances acquired by commercial transactions in bills or securities, easily realisable on an average within 3 months, and of the gold reserve.

(b) The amount of the gold reserve shall, as a general rule, be equivalent to 30 % of the amount of gold notes in circulation, over and above the balance of Government debt referred to in this clause, and may fall to 15 % of the said excess. From the date on which the Bank's gold reserve reaches and remains at 25 %, the circulation authorised by the present clause may be gradually expanded up to them maximum, irrespective of the amount of the Government debt.

(c) During the period of inconvertibility, the Bank shall have the right to form a reserve, which shall be computed according to the percentages mentioned in paragraph (b) above, in bills of exchange or gold notes of Governments of recognised standing, in trade bills payable in gold abroad, and finally in current account deposits in foreign banks approved by the Government; the Bank shall show in its weekly reports the use made by it of this right. The reserve as at December 31st, 1917, and the balance of the deposit account with the Bank of England at the same date shall be kept as a minimum reserve in gold coin or bullion.

(d) The circulation of Bank of Portugal notes representing silver coin may not exceed the amount of Portuguese silver coin held by the Bank in its vaults. Should, however, public currency requirements compel the Bank to issue notes of small denominations to a greater amount than the silver available, the excess shall, for the purposes of the present clause, be reckoned in the amount of the gold notes in circulation.

(e) In addition to the categories of notes which the Bank at present has the right to issue, it may, with the approval of the Government, issue other notes if circumstances demonstrate the desirability and utility of this measure.

(f) The amount of old and new notes withdrawn from circulation under a public notice expiring on December 31st, 1910, and not yet presented for repayment, shall be transferred, as from the entry into force of the present Convention, from the note circulation account to the credit of the current account of the Treasury, the latter undertaking to redeem them at the Bank as and when such notes are presented for exchange or redemption, and the Bank shall duly account therefor to the Government.

(g) Notes of the Bank of Portugal shall be legal tender both on the mainland and in the neighbouring islands; they shall not be subject to stamp duty or to any tax.

(h) As soon as the gradual increase of the amounts earmarked for the redemption of the Government debt and of currency reserves permit of a return to convertibility of notes, both on the mainland and in the neighbouring islands, the Government and the Bank shall agree on the way in which this operation can be safely and effectively carried out.

(i) The Government reserves the right to form, by means of a deposit with the Bank, a fund in gold, metal or securities as cover for the circulation represented by the Government's debt to the Bank, the amount of which shall not be included in the percentages given in (b) of the present clause, in addition to any reserves already in existence which are governed by Law No. 404 of December 9th, 1915, and Decree No. 2 : 437, of June 9th, 1916.

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Article 7.

The Bank of Portugal's right of issue is prolonged until December 31st, 1937, on which date the rights of note issue granted to the said Bank by the Law of July 29th, 1887, and in accordance with the provisions of the present clauses, shall also lapse. If, at this date, the Government has not paid its debt in full, it shall undertake to repay on that date the amounts due by it to the Bank.

(a) The provisions of Article 3 of the Bases annexed to the Law of July 29th, 1887, shall remain in force.

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LAW No. 1074 (NOVEMBER 27TH, 1920).

Article 1.

The Government is authorised to conclude with the Bank of Portugal the arrangements necessary for altering the basis of the Convention of April 29th, 1918, for the sole purpose of raising the amount of loans or advances in escudos which the Government may at present obtain from the Bank above 200 million escudos.

Article 2.

The increase in circulation referred to in the above article shall be made, as Treasury requirements demand, by a series of issues, and the Government shall immediately inform Parliament of the loans realised or advances obtained.

Article 3.

When circumstances require, the Government may resolve to make temporary increases, the total of which may not exceed 15 million escudos, in respect of the note circulation of the Bank of Portugal covered by gold coin, exclusive of the total of the Government debt, for the sole purpose of protecting agriculture, industry, commerce and consumers' co-operative societies.

Sub-paragraph.—For the purposes of applying the provisions of the present article, co-operative societies shall always have preference.

LAW No. 1246 (MARCH 29TH, 1922).

Article 1.

The Government is authorised to conclude with the Bank of Portugal a Convention in accordance with the provisions¹ of the bases annexed to this Law and forming an integral part thereof.

CONVENTION CONCLUDED ON APRIL 21ST, 1922, BETWEEN THE BANK
OF PORTUGAL AND THE GOVERNMENT IN VIRTUE OF LAW No. 1246,
OF MARCH 29TH, 1922.

Base A.

Loans or advances in escudos which the Bank may grant to the Government, and which will be added to those granted under Basis 1 of the Convention of April 29th, 1918, and Article 1 of Law No. 1074, of November 27th, 1920, together with their equivalent in gold notes, in accordance with Basis 2 of the afore-mentioned Convention, shall not exceed the amount of 240 million escudos and shall be effected in the same way as previous loans or advances.

Base B.

The amount of gold notes in circulation to be added to the maximum laid down by Base 2 of the Convention of April 29th, 1918, over and above the Government debt, is fixed at 30 million escudos; this amount shall be increased by 10 million escudos, as soon as the sum of 140 million escudos referred to in Article 3 of the Law approving these bases, is expended, the ratio of 1 : 14 between the increases of both circulations being permanently maintained.

Base C.

The present limit of 5 million escudos for the maximum debit to the current account earmarked for agricultural credit operations shall be raised to 10 millions.

¹ These provisions are not cited here, as they correspond to those in the Convention of April 21st, 1922.

Base D.

The percentages, which must be deducted for the variable reserve fund under the specific terms of Base 3, paragraph (a) of the aforesaid Convention of April 29th, 1918, shall remain in force. Nevertheless, the limit of this reserve fund may be raised to 50 % of the Bank's capital without prejudice to the portion of profits accruing to the State, it being understood that this provision, in accordance with the terms of Base F, shall not affect the provisions of Article 4, section 5, of the Convention of February 9th.

Base E.

In addition to the amendments to the Administrative Regulations of the Bank referred to in Base 6 of the Convention of April 29th, 1918, the revised Statutes of the Bank may, with the approval of the Government, mention in Articles 19 and 20 all modifications likely to promote the operations and services of home and foreign trade, industry and agriculture, without prejudice to the interests of the State and the security of the Bank.

Base F.

This Convention shall not alter previous Conventions and legal provisions except in respect of the points of which special mention is made. It may only be invoked to justify a claim or an interpretation in respect of a question not clearly defined above, and as such shall not affect the right laid down in Base 8 of the Convention of April 29th, 1918.

LAW No. 1424 (MAY 18TH, 1923).

Article 6.

The Government is authorised to conclude with the Bank of Portugal a Convention to the following effect :¹

CONVENTION CONCLUDED ON JUNE 7TH, 1923, BETWEEN THE BANK
OF PORTUGAL AND THE GOVERNMENT IN VIRTUE OF LAW No. 1424,
OF MAY 18TH, 1923.

Article 1.

Loans or advances in escudos which the Bank grants to the Government, and which will be added to those granted and effected under the terms of Section 1 of the Convention of April 29th, 1918, Article 1 of Law No. 1074, of November 27th, 1920, and the Convention of April 21st, 1922, together with their equivalent in gold notes in accordance with section 2 of the first Convention above referred to, may not, up to December 31st, 1923, exceed the sum of 140,000 contos and shall be made in the same manner as previously.

¹ These provisions are not cited here, as they correspond to those in the Convention of June 7th 1923.

Article 2.

If the cash proceeds of the loan authorised by Article 3 of Law No. 1424 is sufficient, in whole or in part, to meet the administrative deficit of the business year 1922-23, the Government shall repay or write off the advances contracted by it under the said authorisation for the purpose of making good such deficits, and shall thereupon withdraw an equivalent amount of notes from circulation. Nevertheless, these operations shall not affect the limit of advances authorised by legal provisions of earlier date than the present law, it being understood that, as regards sinking fund payments to be made for the account of such previously authorised advances granted by the Bank to the Government, the latter shall only be renewed if imperatively required, and only for one-half of the respective amounts.

Article 3.

The Government shall exchange silver which is no longer legal tender, received in execution of Decree No. 3296 of August 15th, 1917, for its actual equivalent in gold; the said amount shall constitute a separate account and be kept on deposit as in the case provided for in section II, paragraph 1, of the Convention of April 29th, 1918, as long as the total advances of the Bank to the Government have not been reduced to the amount of the balance as at December 31st, 1920. The Bank, however, shall be immediately repaid the amount of notes issued by it for the said operation.

Article 4.

The present contractual limit of the right of issue granted to the Bank for banking operations shall be gradually increased by 10 million escudos for each 70 million of new advances, and must be reduced in the same ratio within a term which shall not exceed six months if such advances are reduced by repayments; nevertheless, these increases in the issue limit may be definitely maintained by the Bank, if the latter forms and maintains a gold reserve equivalent to 25 % of their value; such reserve, however, may be constituted in the manner laid down in Base 2, paragraph (c), of the Convention of April 29th, 1918, during the period of inconvertibility.

Article 5.

All the conditions of previous conventions and legal provisions not amended by Law No. 1424 remain in force.

LAW No. 1501 (NOVEMBER 28TH, 1923).

Article 1.

The Government is authorised to conclude with the Bank of Portugal a Convention in accordance with the provisions¹ annexed to the present law and forming an integral part thereof.

Article 2.

The Government is authorised to keep the Convention of December 29th, 1922, with the Bank of Portugal in force until the situation of the Public Treasury permits of the formation of a Central Fund for the Export Service for the immediate purpose of purchasing the relevant bills of exchange.

¹ These provisions are not cited here, as they correspond to those in the Convention of December 22nd, 1923.

CONVENTION CONCLUDED ON DECEMBER 22ND, 1923, BETWEEN THE BANK
OF PORTUGAL AND THE GOVERNMENT IN VIRTUE OF LAW No. 1501,
OF NOVEMBER 28TH, 1923.

Article 1.

Loans or advances granted by the Bank to the Government up to November 15th, 1923, and consolidated shall be added to the loans or advances granted by the Bank of Portugal to the Government under the terms of Base 1 of the Convention of April 29th, 1918, Article 1 of Law No. 1074, of November 27th, 1920, the Convention of April 21st, 1922, and Article 6 of Law No. 1424, of May 15th, 1923.

In accordance with the provisions of Articles 4 and 10 of Law No. 1424, of May 15th, 1923, the Government shall, as soon as circumstances permit, proceed to redeem the debt so contracted by the State with the Bank of Portugal.

Article 2.

Article 6, paragraph (c) of Law No. 1424, of May 15th, 1923, section 2 of the Convention of April 29th, 1918, and paragraph 2 of the same section, shall be taken to mean that the provisions of the sub-paragraph of Article 14 of the Bases annexed to the Law of July 29th, 1887, shall apply to the gold deposit which the State is about to form in the Bank of Portugal by the sale of the silver it has obtained; the amount of this deposit shall be computed in accordance with the weight of the silver and its quotation in London and with the official Lisbon rate of exchange on London on the day of publication of this law. The Bank of Portugal shall, in agreement with the Director General of Public Finance, sell the silver within one year at the latest; notes representing gold securities may be issued in advance if general requirements so demand.

In no case shall the advance operation referred to above be for more than one hundred million escudos up to December 31st, 1923.

The Government shall take the necessary steps to reduce the debt thus owed by the State to the Bank of Portugal by one-third before June 30th, 1924, and shall repay it in full by July 30th, 1925.

If, during any week, the average rate of quotations and exchanges used for computing the amount of the circulation on the basis of gold securities should fall, the circulation shall, in the following week, be reduced proportionately to the said fall.

The provisions of this section shall not cancel the final stipulation of Article 8, paragraph (c) of the above Law No. 1424.

Article 3.

If the cost of notes of the new issues should exceed three-eighths per cent of the interest accruing to the Bank, this difference shall be defrayed by the Treasury, and the rules for verification and control of such expenditure shall be determined by common agreement.

DECREE No. 9505 (MARCH 17TH, 1924).

Article 1.

The Government is authorised to negotiate an agreement with the Bank of Portugal and to conclude the relevant Convention in accordance with the bases¹ annexed to the present Decree and forming an integral part thereof.

¹ These provisions are not cited here, as they correspond to those in the Convention of March 24th, 1924.

CONVENTION CONCLUDED ON MARCH 24TH, 1924, BETWEEN
THE BANK OF PORTUGAL AND THE GOVERNMENT
IN VIRTUE OF DECREE No. 9505 OF MARCH 17TH, 1924.

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Article 6.

The reserve of silver in the Bank may be converted into gold value, which may be represented by gold notes in conformity with Base 2 of the Convention of April 29th, 1918, and with the terms of clause 2 of the Convention of December 22nd, 1923, the circulation corresponding to the contractual limit of the Bank's private circulation being increased by that amount.

The increase obtained by the valorisation of silver in accordance with the provisions of the present clause shall have its counterpart in the Bank's liabilities, and the account relating thereto shall show a liability for the same sum for as long as the exchange on London is above par.

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DECREE No. 11908 (JULY 19TH, 1926).

Article 1.

The Minister of Finance is authorised on behalf of the State to conclude a Convention with the Bank of Portugal in accordance with the provisions of the Bases¹ annexed to the present Decree and forming an integral part thereof.

CONVENTION CONCLUDED ON JULY 21ST, 1926, BETWEEN
THE BANK OF PORTUGAL AND THE GOVERNMENT
IN VIRTUE OF DECREE No 11908 OF JULY 19TH 1926.

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Article 1.

The present contractual limit to the right of issue granted to the Bank of Portugal for banking operations shall be temporarily increased by 100 million escudos; this additional margin will be in anticipation of the sums to be obtained in virtue of the provisions of Law No. 1873, of May 31st, 1926, and of any judicial proceedings or any arrangements instituted or concluded for the same purpose.

The recovery by the Bank of the whole or part of the effective yield of the above-mentioned sums shall involve the elimination of a corresponding proportion of this additional margin of issue, and the notes in circulation must accordingly be reduced by an equal sum.

The Bank of Portugal is exempt from the provisions of paragraph (b) of Base 2 of the Convention of April 29th, 1918, in respect of the gold notes issued and in circulation in conformity with the present base.

Article 2.

Beyond the present limit, and without prejudice to the authorisation granted in Base 1, the right of the Bank of Portugal to issue gold notes is increased by 100 million escudos, intended exclusively for banking operations relating to bills or securities satisfying the conditions laid down in paragraph (a) of Base 2 of the Convention of April 29th, 1918.

¹ These Bases are not cited here, as they correspond to those in the Convention of July 21st, 1926.

This authorisation, which is permanent, shall be made use of by the Bank with due circumspection whenever market conditions render it expedient.

The securities in pounds sterling held by the Bank of Portugal, calculated at the day's rate of exchange, shall, for the purposes of applying the present base, serve as cover for the gold notes issued in accordance with the present base, and shall, in respect of such notes and for all purposes, satisfy the obligation imposed by paragraph (b) of Base 2 of the Convention of April 29th, 1918.

DECREE No. 17991 (FEBRUARY 24TH, 1930).

Article 1.

The Government is authorised to conclude with the Bank of Portugal, through the Minister of Finance, a contract and any conventions required to give effect to the provisions of the following articles.

Article 2.

The right granted to the Bank of Portugal in the conditions laid down in the single section of Article 14 of the Base annexed to the Law of July 29th, 1887, to issue notes in excess of the contractual limits shall be extended to include notes issued in exchange for gold securities or foreign currency purchased by the said Bank :

(a) For the purpose of giving effect, on behalf of the Government, to the provisions of Decree No. 8439, of October 21st, 1922, granting the State the right to retain in whole or in part the foreign currency proceeds of exports;

(b) For the purpose of forming, for the general economic benefit of the country, and in agreement with the Minister of Finance, a special reserve intended to guarantee the stabilisation of the value of the national currency.

Sub-paragraph.—The transactions effected by the Bank of Portugal for the purposes referred to in (b) shall not yield any profit to the Bank apart from the usual administrative charge, which shall be fixed at one-eighth per cent brokerage on the escudo value of the currency purchased; this brokerage shall be deducted from the profits accruing from transactions in such currency.

Article 3.

Notes issued in accordance with the provisions of the preceding article shall be compulsorily withdrawn from circulation whenever the gold securities against which they were issued are transferred.

Article 4.

The Bank of Portugal shall enter up gold securities purchased under Article 2 (a) and (b) in special separate accounts, the State retaining the right to dispose of securities acquired under (a) after paying the Bank their value in escudos at the rate of the day. Profits or losses resulting from operations in these accounts shall be for the account of the State, profits being credited to the Sinking and Reserve Fund and losses, if any, being immediately repaid to the Bank by the Treasury.

Section 1.—An agreement between the Bank of Portugal and the Minister of Finance shall determine the foreign centres and the banks or bankers with whom the gold securities referred to in the present article shall be deposited.

Section 2.—Interest credited to the Bank on the deposits referred to in the preceding paragraph, as well as the interest earned since the previous December 31st by the gold balances referred to in Article 5, shall be credited to the Sinking and Reserve Fund instituted by Law

No. 404 of September 9th, 1915, after deducting the cost of notes which the Bank of Portugal was obliged to put in circulation for the purchase of the gold securities referred to in this article, and after deducting the $2\frac{1}{2}$ ‰ commission referred to in Article 38 of Decree No. 8439, of October 21st, 1922.

Section 3.—Should the interest not be sufficient to cover the cost of the notes and the commission referred to in section 2, the Treasury shall pay the difference to the Bank.

Article 5.

The Convention of December 29th, 1922, shall be replaced by the Convention or Conventions legally concluded in virtue of the present Decree; the current accounts in gold and escudos referred to in Article 1 of the said Convention shall be closed and liquidated as from the date on which the contract to be concluded under the present Decree is signed and the gold and escudo balances carried over or transferred to the credit and debit respectively of the Bank of Portugal.

Sub-paragraph.—Should the value of the currencies forming the balance of the current account in gold referred to in this article amount, at the rate of exchange of the day of liquidation, to less than the balance of the current account in escudos also mentioned in this article, the Bank of Portugal shall transfer from the “Special Advances to the Government (*Suprimentos ao governo*)—Convention of December 29th, 1922” Account to the “Loans to Government —Contract of April 29th, 1918” Account, an amount corresponding to the difference thus cancelled and such amount shall be subject to the regulations concerning Treasury debts to the Bank, in accordance with the provisions of the Contract of April 29th, 1918, *et seq.*, the State undertaking to furnish the Bank with the corresponding security.

Article 6.

The Committee of Public Credit, after compliance with the provisions of No. 6 of Article 10 of the Regulation of July 16th, 1927, and of Article 23 of the Decree of August 14th, 1893, shall create and issue the public debt bonds necessary to form the security referred to at the end of the preceding article; provisionally, and until the said bonds have been issued, the above security may, in virtue of an agreement between the State and the Bank, be formed in another manner.

Article 7.

All provisions of laws and regulations contrary to the present Decree are hereby abrogated.

ROUMANIA.

[*Translation.*]

MONETARY LAW OF FEBRUARY 7TH, 1929.

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Article 3.

Notes of the National Bank are redeemable to bearer at sight at the head office of the Bank at the discretion of the latter in gold currency which is legal tender, in gold bullion, or in foreign currency convertible into gold; in the last-named case the transfer of the currency shall be effected at a price not exceeding the theoretical par rate, plus the costs of transport.

The Bank shall provide for the convertibility of its notes irrespective of quantity; no one shall be entitled however to demand redemption of less than 100,000 lei at a time.

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STATUTES OF THE NATIONAL BANK OF ROUMANIA.

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Article 28.

The National Bank is required to hold a reserve in gold or in foreign exchange which is by law and in practice convertible into exportable gold equal to not less than thirty-five per cent of the total amount of its sight liabilities.

At least twenty-five per cent of these liabilities shall be covered by gold in the Bank or in safe custody abroad.

Article 29.

The part of the note circulation and other sight liabilities which after deduction of the outstanding balance of advances to the State and the balance of temporary advances provided for under Article 84, is not covered by the reserve in gold and foreign exchange as defined in Article 28, shall be entirely covered by securities not included in the above reserve, the portfolio of discounted bills, the short-term security credits and any other immediately realisable assets.

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SALVADOR.

[*Translation.*]

LAW ON THE BANKS OF ISSUE (APRIL 29TH, 1899).

Article 1.

No Bank of Issue may be established in the Republic except under a special concession granted by the Federal Executive and in accordance with the conditions and formalities laid down in the present Law.

The concession may be granted for a maximum period of twenty years to private persons or limited companies, but may only be exercised through the latter.

Article 2.

No company may be formed for the creation of a Bank of Issue with less than seven partners or with a capital of less than one million pesos (\$1,000,000), fully paid up, one-half at least to be deposited in gold or silver coin of legal tender.

Article 3.

The articles of association and statutes of any company formed for the creation of a Bank of Issue shall be submitted to the approval of the Federal Executive before the Bank starts operations; similarly, any proposed modifications must be submitted for approval to the same authority.

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Article 5.

The issue of notes payable to bearer on demand shall not exceed twice the amount of the capital and the Bank shall always hold in its vaults of its Head Office coin equal to 50 % at least of the value of the note issue.

It shall also hold in its vaults 20 % at least of the value of deposits payable on demand or at a maximum of three days' notice.

In both cases, the metallic reserve may be composed, not only of coin, but also of gold or silver bullion.

Article 6.

Notes shall be issued in properly numbered series. Each note shall contain a statement in Spanish of the obligation of the Bank, its branches or agencies, to pay the bearer in coin on demand the full nominal value shown on the said note, of the date of its issue and of the series to which it belongs; in addition to the signatures of the Bank's officials, notes shall bear the seal and signature of the Chief Accountant of the Republic, who shall keep a record of the number and value of the notes composing each issue as well as of notes withdrawn from circulation.

The bank-note as authorised in the form laid down in the preceding paragraph shall not require prior legalisation in order to become legal tender.

Article 7.

Bank-notes shall not be liable to claims or objections, shall not bear interest and shall not be subject to cancellation as long as the institution issuing them exists. They shall be entitled to legal interest only on the default, failure or liquidation of the Bank, as soon as the latter is declared insolvent or suspends payment; in such case, bank-notes shall be cancelled after five years.

Article 8.

Banks of Issue are bound to exchange notes put into circulation by them for coin at their Head Offices in the manner laid down in Article 6.

Article 9.

In event of the liquidation or failure of a Bank, the liquidator or competent authority may, at the request of any party and within a time-limit not exceeding one month, issue notices with a view to redeeming the notes in circulation; should such procedure be impossible or not give the desired result, holders of notes may exercise the rights granted them under the preceding article or may cause the most easily realisable property indicated by them to be sequestered and sold at public auction, until they have obtained full payment for their notes inclusive of interest and costs.

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DECREE OF MAY 6TH, 1910.

Article 1.

The capital referred to in Article 5, paragraph 1, of the Law on Banks of Issue is the paid-up capital.

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LAW OF SEPTEMBER 11TH, 1919.

Article 1.

The monetary unit of the Republic of Salvador shall be the colón, divided into 100 centavos and containing 0.836 gramme of gold, 900/1000ths (nine hundred thousandths) fine. Nickel coins of one, three and five centavos and the silver coins of five, ten and twenty centavos at present in circulation shall be used as auxiliary coinage.

The Monetary Law shall provide detailed regulations concerning the system.

Article 2.

The Banks established in the country shall arrange to substitute gold notes for their silver notes in accordance with the statutory monetary unit. Nevertheless, while such operations are proceeding, the present bank-notes shall remain in circulation at the rate of 1 peso per colón.

Article 3.

Inasmuch as the new monetary unit represents gold, the national and foreign silver coinage at present circulating is hereby declared demonetised—i.e., is no longer legal tender.

Article 4.

The liability of domestic Banks to pay on demand to bearer in silver coin notes issued by them shall henceforth be replaced by the liability to pay a quantity of gold coin in the proportion above determined of 1 colón per silver peso.

Liabilities incurred by private persons in the latter class of coin shall be settled in the same proportion of 1 colón per silver peso.

Article 5.

Within a period of three months from the date of the entry into force of the present Law, Banks shall, through the intermediary of the Federal Executive, proceed to replace the silver held by them in their vaults by United States of America gold coin, the quantity of the latter required to carry out such replacement having been previously imported.

The cash profit derived from the sale of the silver after deducting fifty gold centavos, being the equivalent of each silver peso forming the metallic cover, shall be divided equally between the State and the Banks.

Article 6.

As long as the Law of Moratorium, decreed on August 11th, 1914, is in force, the fifty gold centavos to which the previous article refers, must remain sealed in the vaults of the Banks.

Article 7.

The export of silver coin shall remain unrestricted, the exporter being previously required to guarantee to the satisfaction of the Ministry of Finance that the net proceeds of the sale of the silver will be applied to importing United States gold coin.

Article 8.

As long as the moratorium decreed in favour of the bank-notes is in force, the Federal Executive shall establish a Fund for the Regulation of the International Exchanges with an amount equivalent to 50 % of the profits from the sale of silver.

LAW OF SEPTEMBER 11TH, 1919.

Article 1.

The gold coins of the United States of North America are hereby declared legal tender.

Article 2.

United States bank-notes in dollar denominations shall circulate without restriction in the Republic, and their acceptance shall be obligatory on Banks established in the country in repayment of their debts and in bills of exchange transactions. This obligation shall not affect the right of banks to charge the usual commission for investment of funds.

Article 3.

For the purposes of the foregoing provisions, the dollar shall be taken as equivalent to 2 colons represented by the existing bank-notes.

Article 4.

Liabilities incurred in foreign currency at home or abroad and payable in the territory of the Republic shall be settled by the transfer of an equivalent amount in United States gold or in colons at the rate of exchange prevailing at the place, and on the day, of payment.

Article 5.

If, on the lapse of the moratorium at present enjoyed by bank-notes, gold coins representing multiples of the colón have not yet been minted, banks shall discharge their liabilities by exchanging their notes for United States gold coin in the proportion of two colóns per dollar.

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LAW OF JULY 15TH, 1920.

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Article 10.

Foreign coin shall not be legal tender in the Republic, with the exception of United States gold and silver coins, which shall be legal tender at the rate of two colóns per dollar, until a sufficient quantity of national coin has been minted.

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Article 12.

The minting of money shall be the exclusive privilege of the Federal Executive, who shall decide on what dates, in what form and to what extent minting shall be effected. All minting of coin shall be carried out solely for the account and profit of the State, subject to prior authorisation specially and expressly granted by the National Assembly.

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LAW OF DECEMBER 16TH, 1920.

Article 1.

The United States bank-notes which, under Article 2 of the Monetary Law of September 12th, 1919, circulate without restriction in the Republic shall be accepted at the public revenue offices in payment of dues and taxes of all kinds and in the legal proportion of one dollar to two colóns.

Article 2.

The importation of United States bank-notes shall not be subject to any taxation, except for the formality of submitting to the Customs or the Parcels Post Office a certificate issued by a Bank, a commercial company or an individual of recognised good standing and endorsed by the Legation of Salvador at Washington or by the Consul of Salvador in the place of residence of the consignor.

SIAM.

[*Official Translation.*]

THE CURRENCY ACT, B. E. 2471.

Article 11.

1. The Minister shall receive or deliver gold at Bangkok at the rate of one baht of legal tender money for every 0.66567 gramme of fine gold.

2. The Minister may at his option, in lieu of receiving or delivering gold as aforesaid, receive or deliver abroad gold, or gold exchange, in exchange for legal-tender money, for immediate delivery, at such places and at such rates as he may notify from time to time. Such rates shall be one baht for every 0.66567 gramme of fine gold, with an addition or deduction, as the case may be, representing the approximate cost of conveying gold to or from Bangkok and the place abroad at which such receipt or delivery takes place.

3. No person shall be entitled to demand such exchange for an amount less than fifty thousand baht.

Article 12.

For the satisfaction and discharge of the liability to maintain the gold value of the baht, imposed by Article 11, there shall be maintained, under the Minister's administration and control, a Currency Reserve, hereinafter called the Reserve.

Article 16.

Save as provided in Article 19 (2), no order for payment from the Reserve shall be made unless notes of an equivalent amount are simultaneously withdrawn from circulation.

Article 17.

The following are lawful components of the Reserve :

- (1) Gold.
- (2) Gold securities.
- (3) Cash placed at call, or at not more than seven days' notice, at any Bank approved by the Minister, and payable in the currency of a gold standard country.
- (4) Baht coins.

Provided that :

(a) The total amount of securities, the date of maturity of which is more than one year from the date of their purchase, shall not exceed the equivalent of fourteen million baht.

(b) The number of baht coins shall not at any time exceed (a) fifty-two millions, or (b) the number held at the close of each preceding year, whichever is less.

For the purpose of this section the term "securities" shall include a fixed-deposit receipt.

Article 19.

1. Not later than one month after the close of each year, the Minister shall cause the securities held in the Reserve to be valued on the basis of the latest-known market prices and if it shall appear, on such valuation, that the total value of the securities is less than the amount at which they are held in the Reserve, the amount of such deficiency shall be paid to the Reserve from general revenues;

2. If, at a subsequent annual valuation, it appears that the total value of such securities exceeds the amount at which they are held, such excess may be utilised to re-imburse general revenues in respect of payments made under subsection 1.

Article 23.

No notes shall be issued save in exchange for :

- (a) Notes previously issued, which shall thereupon be withdrawn from circulation,
 - or
 - (b) Gold, or gold exchange, which shall forthwith be credited to the Reserve at the rate of one baht for every 0.66567 gramme of fine gold.
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SPAIN.

[*Translation.*]

DECREE No. 720, OF OCTOBER 19TH, 1868.

Article 1.

In all the Spanish dominions the monetary unit shall be the peseta, with an actual cash value of 100 centimos.

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Article 7.

Gold coins of 100, 50, 20, 10 and 5 pesetas and silver coins of 5 pesetas shall be minted from the bullion supplied by private persons for their own account, without making any charge or deduction for the cost of minting, provided that such bullion has the ductility and other qualities required and can form an alloy of the statutory fineness without needing the addition of fine gold or silver. Costs of refining and smelting in the case of bullion, the minting of which involves such operations shall be defrayed by private persons in accordance with a uniform scale and in proportion to the cost of the said operations, if the Royal Mints possess the necessary facilities and the Government deems it advisable to authorise such operations.

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Article 9.

In the annual budgetary estimates, the Minister of Finance shall specify the proportion of the various classes of coinage to be minted, due regard being had to currency requirements—provided that the total amount of silver coin 835/1000ths (eight hundred and thirty-five thousandths fine shall not exceed 6 pesetas, and of bronze coin 2 pesetas, per head of the population.

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LAW OF DECEMBER 29TH, 1921.

Article 1.

The sole right of issuing bearer notes granted to the Bank of Spain by the law of July 14th, 1891 up to December 31st, 1921, is extended for a further twenty-five years, ending December 31st, 1946; the Bank shall exercise this right as the sole bank of issue on the national territory and in the Spanish dominions.

This extension is granted under the following conditions :

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Condition 2.—The note circulation of the Bank of Spain shall be covered by a reserve of coin and bullion in the Bank's vaults of the following proportions :

Up to 4,000 millions, at the rate of 45 %, being a minimum of 40 % in gold and the remainder in silver.

For amounts exceeding 4,000 and not more than 5,000 million, at the rate of 60 %, being a minimum of 50 % in gold and the remainder in silver.

On the application of the Bank of Spain, and with recommendation of the Central Banking Council to the effect that it considers the measure essential in the interests of the national economy, the Government may authorise the issue to be increased to a maximum amount of 6,000 millions with the same regulations for the metallic cover as in the case of an issue of between 4,000 and 5,000 millions, without such increase involving any other compensation in favour of the State.

The stock of silver forming cover for the note issue shall be in coin which is legal tender in Spain.

The gold may be in Spanish coins at their face value; in foreign gold coins at their par value, and in bullion at the rate of 3,444 pesetas 44 centimos per kilogramme of fine gold as defined under the monetary law.

Gold available on demand held by the Bank with its correspondents or foreign branches may be included up to 8 % of the gold reserve which the Bank must always hold.

The Bank may not reduce its stock of gold coin and bullion without authorisation by the Council of Ministers, and shall endeavour to purchase such quantities of this metal as it may judge suitable, unless notified to the contrary by the Council of Ministers. In no case, is the Bank authorised to reduce its stock of gold, so long as the amount of such stock does not exceed that which constitutes the metallic cover for a circulation of 6,000 millions, without prejudice, however, to the provisions of Rule 7.

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STATUTES OF THE BANK OF SPAIN (JULY 18TH, 1922).

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Article 5.

The Bank of Spain shall have the sole right to issue bearer notes until December 31st, 1946, exercising such right as the sole bank of issue in the national territory and the Spanish dominions, within the limits, with the metallic cover, and in accordance with the other principles relating to its assets and liabilities, laid down by the law.

The Council shall provide for the requirements of circulation by decreeing, with the requisite publicity the issue of each series to the appropriate amount and with the greatest possible guarantees against counterfeiting, and by prosecuting and punishing this offence and arranging in such event for the withdrawal and replacement of the legitimate series in circulation if circumstances so demand.

The notes issued by the Bank of Spain shall be paid to the bearer at all its recognised branches and on the days and at the hours publicly announced.

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STRAITS SETTLEMENTS.

ORDINANCE No. 147 (CURRENCY), (1926).

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Article 4.

1. Subject to the provisions of this Ordinance, the Commissioners may provide and issue and re-issue currency notes in exchange either for current coin, or for subsidiary coin, or for notes previously issued.

2. A currency note shall be a promise on the part of the Government of the Straits Settlements to pay to the bearer on demand the amount expressed therein.

3. The amount required for such payment shall be a charge on the moneys and securities in the hands of the Commissioners under this Ordinance and on the general revenue of the Colony.

4. If a sum is required to meet any such note and the said moneys are insufficient to meet it the sum shall forthwith, on the demand of the Commissioners, be issued under the order of the Governor out of that general revenue in priority to all other charges except those charged thereon by any Ordinance in force before the 10th day of March, 1901, and for the time being payable.

5. The holder of a currency note shall be entitled to obtain on demand, during the usual banking hours at the office of the Commissioners, payment in current coin or subsidiary coin of the amount expressed in the note; provided that no such holder shall be required to accept subsidiary coin in excess of the sum for which such subsidiary coin is legal tender.

6. The Governor may, by Proclamation published in the *Gazette*, defer, for a period to be stated in such proclamation, payment by the Commissioners in current coin of the amount expressed in any currency note which is presented to them for payment.

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Article 7.

1. Subject as hereinafter mentioned in this Ordinance, the current coin and sterling received in exchange for currency notes shall form the Currency Guarantee Fund which shall be held in the Colony by the Commissioners, or in London by the Crown Agents, for meeting the payment of the notes and shall not be applied for any other purposes.

2. Of the Currency Guarantee Fund, a portion (in this Ordinance referred to as the "liquid portion" of the fund), not being less than the fixed proportion hereinafter mentioned, shall be kept in the custody of the Commissioners or of the Crown Agents in the manner provided by subsection 5 of this Section, but the balance may be invested as hereinafter mentioned and the portion so invested is in this Ordinance referred to as the "investment portion" of the fund.

3. The liquid portion of the fund shall not be less than the fixed proportion of the notes for the time being in circulation and, if necessary, the securities forming the investment portion of the fund shall be sold so as to prevent the liquid portion falling below the fixed proportion; provided that, if the deficiency of the liquid portion below the fixed proportion does not exceed one-fourth of that proportion, the sale of securities may, with the consent of the Governor, be temporarily postponed for a period not exceeding three months, but until the liquid portion amounts to that fixed proportion no further investment shall be made.

4. The fixed proportion shall be two-fifths of the amount of the notes for the time being in circulation.

5. Of the liquid portion of the fund, one part, amounting to not less than one-tenth of the notes for the time being in circulation, shall be kept in silver current coin in the Colony in the custody of the Commissioners, and the Commissioners may hold in the Colony a further part in gold current coin. The balance may be kept in London in the custody of the Crown Agents and may be held in gold current coin or on deposit at the Bank of England, or in Treasury Bills, or lent out at call to such Banks or on such short loans or other readily realisable securities as may be approved by a Secretary of State.

6. The income derived from such bills, loans or securities shall be paid to the Currency Guarantee Fund.

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Article 9.

1. The Commissioners may issue silver current coin or currency notes in exchange for sterling payable in London to the Crown Agents at the rate of two shillings and four pence and three-sixteenths of a penny to the dollar.

2. The sum so received in sterling shall be credited to the Currency Guarantee Fund.

Article 10.

1. The Commissioners may receive silver current coin or currency notes in exchange for sterling payable in London by the Crown Agents at the rate of two shillings and three pence three farthings to the dollar.

2. The current coin so received shall be paid into the Currency Guarantee Fund.

Article 11.

Whenever the amount of the liquid portion of the fund in the custody of the Crown Agents shall be insufficient to meet payments falling due under the last preceding section, it shall be lawful for the Crown Agents either to sell such part as may be required of the investment portion of the fund or to borrow on the security of any of those investments such moneys as may be necessary for meeting any of the payments so falling due. The moneys so borrowed shall be set off against the value of the investment portion of the fund in the Commissioners' accounts, and the interest payable on such borrowings shall be deducted from the income derived from the investments.

Article 12.

1. The Commissioners may, at any time when the amount of the silver coins forming part of the fund is less than one-tenth of the notes for the time being in circulation, use any part of the liquid portion of the fund for the purchase of silver to be minted into current coin.

2. The whole of the profit on such coinage shall be paid into the Currency Guarantee Fund.

3. The Commissioners may at any time sell for sterling any silver coins forming part of the fund in excess of one-tenth of the notes for the time being in circulation.

4. The proceeds of the sale of the silver coins shall be credited to the Currency Guarantee Fund.

Article 13.

The profits of minting current coin and subsidiary coin after deducting therefrom the costs of minting and all charges connected therewith shall be credited to the Currency Guarantee Fund.

Article 14.

1. The investment portion of the Currency Guarantee Fund may be invested in such securities of the Government of the United Kingdom, or of India, or of any of the Dominions, or of any British Colony, or in such other British securities as may from time to time be approved by a Secretary of State; provided that not more than one-fourth of the total sum belonging to the investment portion of the fund shall be invested in securities of the Government of the Straits Settlements.

2. All such investments shall, if made in England, be made in the joint names of the Crown Agents and of such other officers or persons as a Secretary of State shall appoint as trustees on behalf of the Commissioners. Investments made in India in Indian Government securities shall be made in the names of the Commissioners.

3. The income derived from securities shall be credited, after payment of the expenses of and incidental to the execution of this Ordinance, to the Currency Guarantee Fund.

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SURINAM.

[*Translation.*]

THE SURINAM BANK ACT (LAW OF JULY 2ND, 1928).

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Article 14.

1. The Bank's notes shall be convertible on demand daily, at the hours specified by the Bank, at its offices at Paramaribo or its agencies in Surinam, except on such days as may be specified by the Governor.
2. Payment at agencies may be deferred, however, until means of payment can be obtained from the office at Paramaribo.
3. The Governor may release the Bank from the obligation to convert its bank-notes at such agencies as he may specify.
4. The Bank shall be bound, on receipt of specie which is legal tender to any amount, to issue bank-notes to the Government for such amount as may be required.
5. Bank-notes shall be free of stamp duty.

Article 15.

1. The holder of a note of the Bank shall be entitled only to claim payment by the Bank of the amount specified on the note at its office at Paramaribo or at the offices of any of its agencies in Surinam.
2. The Bank shall not be bound to grant compensation for the loss or destruction of its notes.
3. The Bank shall not be bound to grant any compensation for fragments of bank-notes except of such security as it may deem necessary to prevent loss to itself.
4. In the event of suspicion of fraud, or at the written request of the persons interested, the Bank may require the person presenting notes for conversion to give a receipt for them and/or endorse them.
5. The provisions of Articles 211, 212 and 213 of the Commercial Code for the Colony of Surinam shall not apply to bank-notes.

Article 16.

1. In case of war, or imminent danger of war, the Bank's obligation to redeem its bank-notes may be suspended by a colonial ordinance.
2. The ordinance referred to in the preceding paragraph shall specify the term of its duration. The term may be extended from time to time, as may be necessary.
3. As soon as the war or the danger of war which necessitated the promulgation of the ordinance referred to in paragraph 1 is ended or past, the ordinance shall be withdrawn.

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Article 27.

1. The extent to which the total sum represented by bank-notes, current credit accounts and other liabilities which must be met on demand in Surinam must be covered by specie or bullion shall be determined by the Governor with Our authorisation.
2. Of the compulsory metal cover stipulated in paragraph 1, at least three-fourths must be in Surinam, and at least half of the metal cover must consist of coin which is in Surinam and is legal tender to any amount.

8. The value of the bullion shall be determined by the Governor after consultation with the Bank.

4. In times of emergency, the Governor may at the request of the Bank, and with Our subsequent assent, temporarily change the proportion stipulated in paragraph 1.

5. If Our assent to such a change is refused or deferred, the previous proportion must be restored within one month after the Bank has been notified of Our refusal, and in any case within four months after the issue of the Governor's decree regarding the change.

6. Decrees issued by the Governor under paragraph 1, 3 and 4 of the present Article shall be published in the *Gouvernementsblad* and in the *Official Gazette*.

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MINT LAW OF JULY 1ST, 1909, AMENDED BY THE LAW OF MARCH 27TH, 1915.

Article 1.

Every creditor may demand payment in legal tender.

The following shall be legal tender in the colony of Surinam :

(a) For the payment of any amount :

(1) In gold :

 The 10-gulden (10-florin) piece and the 5-gulden (5-florin) piece of the Netherlands.

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SWEDEN.

[*Translation.*]

CONSTITUTION OF JUNE 6TH, 1809.

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Article 72 (as amended in 1915).

The State Bank shall have the sole right to issue bearer notes which shall be legal tender in the country. These notes are repayable at sight by the Bank in gold specie at their nominal value; the Bank may, however, be released from this obligation for a certain period should this be considered absolutely necessary on account of war, menace of war, or serious financial crisis. This release may be accorded by the Crown and the Riksdag jointly, or, if the Riksdag is not in session, by the Crown alone, on the advice of the Board of Directors of the Bank, after the Governing Body of the Public Debt Office has been consulted. When this release is granted by the Crown in the interval between two sessions of the Riksdag, it must be approved by the Riksdag at the following session within twenty days of its first meeting; otherwise it will expire at the end of that period.

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LAW OF MAY 12TH, 1897, CONCERNING THE BANK OF SWEDEN.

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Article 6 (as amended in 1915).

The Bank is authorised to issue notes up to a sum equivalent to twice the amount of the metallic reserve, calculated according to the rules laid down in Article 8, and for a further sum of two hundred and fifty million kronor.¹

Should an increase in the right of issue be considered essential on account of war, menace of war, or serious financial crisis, the Crown and the Riksdag, acting jointly, may authorise a note issue for an additional amount of one hundred and twenty-five million kronor; the Board of Directors of the Bank shall be required to withdraw from circulation, as soon as possible, notes for an amount corresponding to that of the issue made in accordance with this authorisation.

Article 7 (as amended in 1914).

The Bank's issue in excess of the metal reserve must be covered by the following securities :

- (a) Readily negotiable Government securities;
- (b) Bonds of the Royal Mortgage Bank of Sweden, of the Swedish Cities Mortgage Bank and other domestic bonds which are quoted on foreign exchanges;
- (c) Gold in coin or bullion which is not included in the metallic reserve according to the stipulations of Article 8, and which is on deposit abroad or in transit therefrom, provided it be covered by a marine insurance policy;¹
- (d) Bills of exchange payable in Sweden or abroad;
- (e) Funds with a maximum maturity of six months, deposited on account with foreign banks or bankers, after deducting any sums to the debit of such accounts;
- (f) Advances on Government securities and bonds mentioned in paragraphs (a) and (b) above.

¹ As amended by Proclamation No. 114 of May 9th, 1930.

Article 8 (as amended in 1918).

The metallic reserve includes, first, all the gold specie and gold bullion belonging to the Bank and situated in Sweden, secondly, up to an amount corresponding to fifteen hundredths of the whole metallic reserve, gold in specie and gold bullion belonging to the Bank and on deposit abroad or in transit therefrom, provided it be covered by a marine insurance policy.

The metallic reserve may not be maintained at an amount below one hundred and fifty million kronor.¹

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LAW OF MAY 30TH, 1873, CONCERNING THE COINAGE OF THE REALM.

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Article 9.

Any person who delivers gold to the Royal Mint for the purpose of having it minted shall be entitled to receive gold coin in exchange on payment of $\frac{1}{100}$ of the value of the amount minted in the case of twenty-krona pieces, and $\frac{1}{300}$ of such value in the case of ten-krona pieces to cover the cost of minting. No additional minting fee shall be charged.

Article 10.

Divisional coins may not be made and minted within the realm for account of private persons.

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**ROYAL DECREE No. 51 OF MARCH 28TH, 1930,
REPEALING ROYAL DECREE No. 55 OF MARCH 31ST, 1924, WHICH TEMPORARILY PROHIBITED THE IMPORT OF GOLD TO THE KINGDOM.**

The King, in Council, on the proposal of the Commissioners of the Riksbank, has decreed that the ordinance of March 31st, 1924, which prohibited the import of gold to the Kingdom, shall cease to have effect at the end of March, 1930.

¹ As amended by Proclamation No. 114 of May 9th, 1930.

SWITZERLAND.

[*Translation.*]

FEDERAL LAW CONCERNING THE SWISS NATIONAL BANK OF APRIL 7TH, 1921.¹

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Article 14.

(See Article 14 as given in the Law of December 20th, 1929. The amended text differs from that of April 7th, 1921, only in the inclusion in paragraph 7 of the words "interest-bearing" before the words "bonds issued by the Confederation" and in the omission of the words "and silver" at the end of paragraph 9.)
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Article 19.

The total value of the notes in circulation must be covered :

- By gold or silver currency of legal tender or of value recognised by agreement, excluding subsidiary silver coin;
- By gold bullion reckoned at mint parity allowing for coinage charges;
- By foreign gold coin;
- By bills of exchange, cheques, securities, treasury bonds, assets payable at sight on foreign countries;
- By loans resulting from advances on current account :
 - (a) Against bonds in accordance with the stipulations of Article 14, 4,b;
 - (b) Against precious metals (Article 14, 8).

The metallic cover must amount to at least forty per cent of the value of the notes in circulation.

Article 20.

The National Bank shall be required to pay its notes on presentation at par and in specie which is legal tender :

- (a) At its Berne office up to any amount;
 - (b) At its Zurich office and at its branches and agencies to the extent to which the reserve and their own requirements permit; payment in full shall, however, be made if sufficient time is allowed to obtain the cash from the head office. The note repayment service must be organised so as to meet local requirements.
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Article 22.

The Federal Council may not decree that the notes are legal tender and release the National Bank from the obligation to repay its notes in specie which is legal tender unless this is necessary in time of war.
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¹ The articles of this law given below are no longer in force. See Federal Law of December 20th, 1929, Article 1, paragraph 1, on page 339.

FEDERAL LAW OF DECEMBER 20TH, 1929, AMENDING THE FEDERAL LAW
OF APRIL 7TH, 1921, ON THE NATIONAL BANK OF SWITZERLAND.

Article I.

Articles 14, 19, 20 and 22 of the Federal Law of April 7th, 1921, concerning the National Bank of Switzerland are hereby abrogated and replaced by the following provisions :

Article 14.—The National Bank is a bank effecting the issue of notes and transfer and discount operations, and is only authorised to carry out the following transactions :

1. To issue bank-notes in accordance with the provisions of the present law.
2. To discount bills of exchange and order cheques drawn on Swiss banks, and bearing not less than two independent signatures of known solvency, and likewise to discount bonds drawn upon Swiss banks, which can be accepted as collateral security. The date of maturity may not exceed three months. Bills of exchange and order cheques drawn by agriculturists and based upon commercial transactions shall be treated in the same manner as other bills of exchange.
3. To purchase and sell bills of exchange, order cheques and credits payable at sight in foreign countries, and likewise Treasury bills issued by foreign States. The date of maturity may not exceed three months. Bills must bear not less than two independent signatures of known solvency.
4. To make interest-bearing loans against the deposit of bonds (advances against collateral security) :
 - (a) For a fixed period not exceeding three months;
 - (b) On current account at not more than ten days' notice.

Shares shall not be accepted as collateral security.

5. To accept the deposit of funds on which no interest is payable, and the deposit on current account, with interest, of funds appertaining to the Confederation and to the administrations and establishments under its supervision.
6. To effect transfers and clearings, deal with bank drafts and the collection of outstanding debts.
7. To purchase for its own account interest-bearing bonds issued by the Confederation or Cantons and by foreign States, which are made out to bearer and can find a ready market; such transactions may only be carried out in order to provide for the temporary investment of Bank balances.
8. To purchase and sell for its own account and for the account of third parties precious metal in bullion or in coin, and to make advances against such metal.
9. To issue certificates for gold.
10. To take into custody and administer securities and articles of value, to purchase and sell securities and subscribe to issues on behalf of third parties.
11. To co-operate in the issue of loans by the Confederation and to accept subscriptions to Confederation and Cantonal loans, without however taking part in the underwriting of the said loans.

Article 19.—The total value of the notes in circulation must be covered :

- By Swiss gold coin;
- By gold bullion reckoned at mint parity allowing for coinage charges;
- By foreign gold coin;
- By bills of exchange and cheques drawn on Swiss banks, and by Swiss bonds;
- By bills of exchange and cheques on foreign countries;
- By the Treasury bills of foreign States and by assets payable at sight on foreign countries;

By loans resulting from advances on current account :

- (a) Against bonds, in accordance with the stipulations of Article 14, 4 (b) ;
- (b) Against precious metals (Article 14, 8).

The metallic cover must amount to at least 40 per cent of the value of the notes in circulation. The minimum metallic cover of 40 per cent must be maintained exclusively in Switzerland.

Article 20.—The National Bank shall be required to pay its notes on presentation in Swiss gold coin :

- (a) At its Berne office up to any amount;
- (b) At its Zurich office, and at its branches and agencies under the direct management of the Bank, to the extent to which the reserve and their own requirements permit; payment in full shall, however, be made if sufficient time is allowed to obtain cash from the head office.

The note repayment service must be organised so as to meet local requirements.

Article 20bis.—As long as the banks of issue in the countries designated as important by the Bank authorities do not themselves repay their notes in gold coin, the Bank shall have the option to repay its notes on presentation in one or other of the following forms :

- In Swiss gold coin;
- In gold bullion of the usual commercial weight (approximately 12 kilogrammes) on the basis of the mint parity;
- In gold foreign exchange (bank remittance or cheque), that is to say, in foreign exchange on countries having a free gold market. The rate for converting these currencies shall be calculated on the basis of the exchange rate of the foreign currency at the time of the transaction. It may not, however, under any circumstances exceed the export point of Swiss gold coin consigned to the foreign banking centre on which the payment is to be drawn. The National Bank reserves the right to designate these foreign currencies.

Repayment shall be effected :

In gold coin and in gold bullion at its Berne office up to any amount, and at its Zurich office and the branches and agencies under the direct management of the Bank, to the extent to which the reserve and their own requirements permit; payment in full shall, however, be made if sufficient time is allowed to obtain the cash from the head office;

In gold foreign exchange at all the afore-mentioned establishments of the Bank up to any amount.

The note repayment service must be organised so as to meet local requirements.

Article 22.—The Federal Council may not decree that the notes are legal tender and release the National Bank from the obligation to repay its notes in the manner prescribed in Articles 20 and 20bis, unless this is necessary in time of war.

Article II.

The Federal Law of September 27th, 1928 (Article 19bis of the law concerning the National Bank) is hereby abrogated.

Article III.

The Federal Council shall fix the date of the coming into force of the present Law.

**REGULATIONS FOR MINTING GOLD COIN FOR THE ACCOUNT OF PRIVATE
PERSONS, NOVEMBER 11TH, 1921.**

The Swiss Federal Council, in execution of Article 2 of the Federal Law of December 22nd, 1870, concerning the minting of gold coin, issues the following order :

Article 1.

The Federal Mint undertakes to coin gold 20-franc and 10-franc pieces for account of private persons in quantities of not less than one hundred thousand francs, subject to the sanction of the Department of Finance in every instance.

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TURKEY.

[*Translation.*]

LAW OF MARCH 30TH, 1915.

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Article 2.

These notes shall, like the coinage, have compulsory currency in Turkey for all payments, disbursements, purchases and sales, whether between the State and private persons or between private persons. Infringements of these regulations shall be punished . . .

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LAW No. 701, OF OCTOBER 30TH, 1925.

Article 1.

The Government is authorised to proceed to the issue of a single series of currency notes for an amount of £T153,748,563.60, being the total amount of notes at present in circulation—the said notes being of seven different issues made under the laws of March 30th, 1331, October 18th, 1331, December 22nd, 1331, August 6th, 1332, February 4th, 1332, March 28th, 1333, and March 28th, 1334, for an amount of £T161,018,663.60, of which £T7,270,100 have been destroyed at various dates—and the new series shall have the same legal status as the old notes replaced.

Article 2.

A Commission under the chairmanship of a representative of the Ministry of Finance, and composed of a delegate of the Agricultural Bank, the Ottoman Bank, the Crédit National, the Banque d'Affaires, the Bank of Tobacco-Growers of Ak-Hissar, and the Bank of Eskisehir, together with a delegate from each of the principal credit institutions operating in Turkey, shall decide on the patterns for the new notes, the conditions for their printing and all other circumstances generally in connection with the said notes and the method of replacing them, and shall be in charge of all operations connected therewith. The functions of the said Commission shall be determined by public administrative regulation, drawn up by the Ministry of Finance and approved by the Council of Ministers.

Article 3.

The date on which the new currency notes for replacement of old notes shall be put into circulation shall be announced by the Ministry of Finance, through the newspapers in districts where such appear, and in accordance with local custom in other districts. Within a period of six months from such announcements, the old notes presented at the public revenue offices and at banks shall be exchanged in full for notes of the new issue. The circulation and exchange of old notes shall be prohibited after the expiry of the aforesaid period.

Article 4.

Affidavits drawn up by public revenue offices and banks regarding notes exchanged by them under the present law shall be forwarded, together with the notes in question, to the Commission referred to in Article 2 which, after verifying and examining them, shall draw up a further general affidavit, and shall destroy the notes in the presence of the members of the Commission. The text of the general affidavit shall be published simultaneously in several newspapers.

Article 5.

The provisions of Article 2 of the Law of October 18th, 1331 (March 30th, 1915), regarding the compulsory currency of the existing notes shall also apply to the new notes issued under the present law.

Article 6.

An appropriation of five hundred thousand pounds (£T500,000) shall be entered in a special chapter to be included in the budget of the Ministry of Finance for the financial year 1341, for the purpose of defraying the cost of printing and exchange of currency notes and of paying the remuneration due to the officials deputed to supervise these operations and any other expenditure connected therewith. The total amount of this appropriation may be handed over in a single payment by the Ministry of Finance as an advance placed at the disposal of the Commission referred to in Article 2.

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LAW OF JANUARY 18TH, 1916.

Article 1.

The export of gold specie or bullion from Turkey is prohibited, except with the permission of the Ministry of Finance. Persons guilty of a breach of this provision and their aiders and abettors shall be liable to imprisonment for from three months to two years and shall further pay a fine equivalent to the value of the gold exported. Gold which it has been attempted to smuggle abroad shall be confiscated, and the parties responsible and their accomplices shall be liable to imprisonment for a term of from three months to two years.

Article 2.

Travellers may take with them for their essential expenditure the quantity of gold determined by the Ministry of Finance, regard being had to their social position and the distance to be travelled.

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UNION OF SOUTH AFRICA.

THE CURRENCY AND BANKING ACT OF 1920.

(AS AMENDED BY THE CURRENCY AND BANKING ACT, 1923, AND THE CURRENCY
AND BANKING ACT, 1930.)

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Article 16.

The denominations of notes issued by the Bank shall be as the Treasury may from time to time prescribe, and such notes shall be redeemable, on demand, in gold specie or gold certificates at the office of issue.

Article 17.

The notes issued by the Bank shall be secured to an amount of not less than forty per cent in gold or gold specie in the Bank's custody and as to the remainder by a first charge on all the assets of the Bank : Provided that gold in the mint and gold in transit belonging to the Bank, shall be counted as part of its reserves;

Provided further that the Bank may, with the consent of the Treasury, hold gold balances outside the Union in the custody of its own branches or agencies or deposited in other banks earmarked for the Bank's account to an amount not exceeding one-fourth of the total reserve requirements;

Provided also that until the 30th day of June, 1928, the notes issued by the Bank, instead of being secured as to sixty per cent or less in commercial paper or trade bills as hereinbefore provided, may, to an amount which shall not exceed :

- (a) Thirty-five per cent of the total issue; or
- (b) One hundred and forty per cent of the total amount of commercial paper or trade bills held by the Bank

be secured in Treasury Bills of the Union Government or the British Government of a currency not exceeding ninety days.

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Article 19.

1. The Bank shall be authorised and empowered, subject to the consent of the Treasury, to suspend for a period not exceeding thirty days, and from time to time to renew such suspension for periods not exceeding fifteen days, the reserve requirements specified in this Act : Provided that upon the amounts by which the reserve for notes of the Bank falls below the requirements of this Act in respect of such notes, a graduated tax shall be paid to the Treasury at the following rates, viz :

One per cent per annum when the gold reserve against notes is less than forty per cent, but not less than thirty-two and a-half per cent; and, in addition, one and a-half per cent per annum upon each two and a-half per cent decrease, or part thereof by which the reserve falls below thirty-two and a-half per cent.

Provided further that the Bank shall add to its rates of interest and discount a percentage at least equal to the percentage of the tax levied as in this section provided.

2. For the purpose of ascertaining the gold reserve held against notes, allowance shall first be made for the reserve of forty per cent required by Section 23 to be held against deposits.

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Article 23.

1. The Bank shall hold in gold or specie a reserve of at least forty per cent of its deposits and bills payable in addition to the gold reserves required by Section 17 to be held against its notes issued : Provided that the amount of silver specie which may be counted as part of the reserve shall not exceed twenty per cent of the total reserve required to be held under this section.

2. One-fourth of such reserve may, with the consent of the Treasury, be held outside the Union, provided such reserve is held in the Bank's custody or is deposited in another bank and earmarked for its account.

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THE PRETORIA MINT PROCLAMATION, 1922.

BY THE KING : A PROCLAMATION.

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We, therefore, in pursuance of the said Acts ¹ and the said proclamation made thereunder, and of all other powers enabling Us in that behalf, do hereby, with the advice of Our Privy Council, proclaim, direct and ordain as follows :

1. A branch of the Mint (in this Proclamation referred to as "the Pretoria Branch Mint") shall be established at or near Pretoria on such site as the Governor-General in Council may approve.

2. Gold coins of the same denominations, designs, weights and fineness as gold coins coined at the Mint may be coined at the Pretoria Branch Mint, and any gold coins so coined (in this Proclamation referred to as "sterling gold coins") shall be subject to the allowance of the same remedy as gold coins coined at the Mint.

3. The Master of the Mint shall prepare and transmit such dies as may be required for the sterling gold coins to be coined at the Pretoria Branch Mint.

4. The sterling gold coins coined in pursuance of this Proclamation at the Pretoria Branch Mint shall be deemed to have been issued from the Mint, and shall be current and a legal tender in like manner and to like extent as if they had been coined and issued in England.

5. (1) If any person brings to the Pretoria Branch Mint any gold bullion and requires the Deputy Master of the Branch Mint to assay, coin into sterling gold coins, and deliver out to him the same, the Deputy Master shall comply with the requisition on payment for every ounce troy of gold of standard fineness of a charge of three-halfpence where the amount brought at any one time does not exceed five hundred ounces, and of a penny in any other case :

Provided that :

(a) Where the gold bullion so brought is such that it cannot be brought to the standard fineness of the coin to be coined thereout without refining the whole or some portion of it, the Deputy Master shall demand for assaying and refining the same such additional charge as the Governor-General in Council may from time to time fix, and until such charge is paid to him may refuse to receive, assay or coin that bullion; and

(b) Where the bullion brought to the branch Mint for coinage is finer than the standard fineness of the coin to be coined thereout, there shall be delivered to the person bringing the same such additional amount of coin as is proportionate to that superior fineness; and

(c) No undue preference shall be shown to any person as respects the bullion brought to the branch Mint, and every person shall have priority according to the time at which he brought the bullion to the branch Mint; and

¹ The Coinage Act, 1870, amended by the Coinage Act, 1891.

(d) The Governor-General in Council may make regulations for carrying into effect the provisions of this Article with respect to gold bullion, and the bringing, coining and delivery out thereof, and in particular for regulating the times and conditions at and under which it is to be so brought, assayed, coined and delivered out, and the minimum amount which may be so brought.

(2) The charges under this Article for coining, assaying and refining shall be collected by the Deputy Master of the branch Mint in accordance with the regulations made under this Article, either as a payment in advance or as a deduction from the coin delivered out, or otherwise, and shall be accounted for and paid over in such manner as the Governor-General in Council directs to the Minister of Finance of the Union, to be paid by him into the Consolidated Revenue Fund of the Union.

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7. Nothing in this Proclamation shall be taken to prevent the coining at the Pretoria Branch Mint of any coins of whatever metal which the Minister of Finance of the Union has power under or by virtue of any Act of the Union for the time being in force to be caused to be made and issued for circulation in the Union, or of any other coins of whatever metal which the Governor-General in Council may from time to time authorise to be coined at the Pretoria Branch Mint :

Provided that :

(a) Coins, other than sterling gold coins, coined at the Pretoria Branch Mint shall not, for the purposes of the Coinage Act, 1870, or for the purposes of any Order in Council or Proclamation relating to the coinage of any part of Our Dominions, be deemed to be coins made at, or issued from, the Mint, or to be coins coined under the direction of the Master of the Mint; and

(b) The coining of such other coins shall be carried out subject to and in accordance with such regulations and conditions as may be made and imposed by the Master of the Mint.

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(8) This Proclamation shall come into force on the first day of January, nineteen hundred and twenty-three, unless it is sooner promulgated in the Union, and in that case shall come into force on being so promulgated.

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THE UNITED STATES OF AMERICA.

I. ACTS RELATING TO GOLD CERTIFICATES.

ACT OF MARCH 3RD, 1863.

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*Section 254.*¹ — The Secretary of the Treasury is authorised to receive deposits of gold coin and bullion with the Treasurer or any assistant Treasurer of the United States, in sums not less than twenty dollars, and to issue certificates therefor, in denominations of not less than twenty dollars, each corresponding with the denominations of the United States notes. The coin and bullion deposited for or representing the certificates of deposit, shall be retained in the Treasury for the payment of the same on demand; and certificates representing coin in the Treasury may be issued in payment of interest on the public debt, which certificates, together with those issued for coin and bullion deposited, shall not at any time exceed twenty per centum beyond the amount of coin and bullion in the Treasury; and the certificates for coin and bullion in the Treasury shall be received at par in payment for duties on imports.

(Discontinued by order of the Secretary of the Treasury, January 1st, 1879.)
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ACT OF JULY 12TH, 1882.

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Section 12.—That the Secretary of the Treasury is authorised and directed to receive deposits of gold coin with the Treasurer or Assistant Treasurers of the United States, in sums not less than twenty dollars, and to issue certificates therefor in denominations of not less than twenty dollars each, corresponding with the denominations of United States notes.

The coin deposited for or representing the certificates of deposits shall be retained in the Treasury for the payment of the same on demand.

Said certificates shall be receivable for Customs, taxes, and all public dues, and when so received may be reissued;

And such certificates, as also silver certificates, when held by any national-banking association shall be counted as part of its lawful reserve; and no national-banking association shall be a member of any clearing-house in which such certificates shall not be receivable in the settlement of clearing-house balances;

Provided, That the Secretary of the Treasury shall suspend the issue of such gold certificates whenever the amount of gold coin and gold bullion in the Treasury reserved for the redemption of United States notes falls below one hundred millions of dollars;

And the provisions of section fifty-two hundred and seven of the Revised Statutes shall be applicable to the certificates herein authorised and directed to be issued.
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¹ Of the Revised Statutes of the United States.

ACT OF MARCH 14TH, 1900.

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Section 6.—That the Secretary of the Treasury is hereby authorised and directed to receive deposits of gold coin with the Treasurer or any Assistant Treasurer of the United States in sums of not less than twenty dollars, and to issue gold certificates therefor in denominations of not less than twenty dollars, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand, and used for no other purpose.

Such certificates shall be receivable for Customs, taxes, and all public dues, and when so received may be reissued, and when held by any national banking association may be counted as a part of its lawful reserve;

Provided, That whenever and so long as the gold coin held in the reserve fund in the Treasury for the redemption of United States notes and Treasury notes shall fall and remain below one hundred million dollars, the authority to issue certificates as herein provided shall be suspended;

And provided further, That whenever and so long as the aggregate amount of United States notes and silver certificates in the general fund of the Treasury shall exceed sixty million dollars, the Secretary of the Treasury may, in his discretion, suspend the issue of the certificates herein provided for;

And provided further; That, of the amount of such outstanding certificates, one-fourth at least shall be in denominations of fifty dollars or less :

And provided further, That the Secretary of the Treasury may, in his discretion, issue such certificates in denominations of ten thousand dollars, payable to order; (2) and section fifty-one hundred and ninety-three of the Revised Statutes of the United States is hereby repealed.
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ACT OF MARCH 4TH, 1907.

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Section 6.—That the Secretary of the Treasury is hereby authorised and directed to receive deposits of gold coin with the Treasurer, or any Assistant Treasurer of the United States in sums of not less than twenty dollars, and to issue gold certificates therefor in denominations of not less than ten dollars, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand, and used for no other purpose. Such certificates shall be receivable for Customs, taxes, and all public dues, and when so received may be reissued, and when held by any national banking association may be counted as a part of its lawful reserve : *Provided*, That whenever and so long as the gold coin and bullion held in the reserve fund in the Treasury for the redemption of United States notes and Treasury notes shall fall and remain below one hundred million dollars, the authority to issue certificates as herein provided shall be suspended : *And provided further*, That whenever and so long as the aggregate amount of United States notes and silver certificates in the general fund of the Treasury shall exceed sixty million dollars, the Secretary of the Treasury may, in his discretion, suspend the issue of the certificates herein provided for : *And provided further*, That of the amount of such outstanding certificates one-fourth at least shall be in denominations of fifty dollars or less : *And provided further*, That the Secretary of the Treasury may, in his discretion, issue such certificates in denominations of ten thousand dollars, payable to order; and section fifty-one hundred and ninety-three of the Revised Statutes of the United States is hereby repealed.
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ACT OF MARCH 2ND, 1911.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section six of an Act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes, approved March fourteenth, nineteen hundred, as amended by the Act approved March fourth, nineteen hundred and seven, be, and the same is hereby, further amended so as to read as follows :

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Section 6.—That the Secretary of the Treasury is hereby authorised and directed to receive deposits of gold coin with the Treasurer, or any Assistant Treasurer of the United States, in sums of not less than twenty dollars, and to issue gold certificates therefor in denominations of not less than ten dollars, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand, and used for no other purpose. Such certificates shall be receivable for Customs, taxes, and all public dues, and when so received may be reissued, and when held by any national banking association may be counted as a part of its lawful reserve; *Provided*, That whenever and so long as the gold coin and bullion held in the reserve fund in the Treasury for the redemption of United States notes and Treasury notes shall fall and remain below one hundred million dollars the authority to issue certificates as herein provided shall be suspended : *And provided further*, That whenever and so long as the aggregate amount of United States notes and silver certificates in the general fund of the Treasury shall exceed sixty million dollars, the Secretary of the Treasury may, in his discretion, suspend the issue of the certificates herein provided for : *And provided further*, That of the amount of such outstanding certificates one-fourth at least shall be in denominations of fifty dollars or less : *And provided further*, That the Secretary of the Treasury may, in his discretion, issue such certificates in denominations of ten thousand dollars, payable to order : *And provided further*, That the Secretary of the Treasury may, in his discretion, receive, with the assistant treasurer in New York and the assistant treasurer in San Francisco, deposits of foreign gold coin at their bullion value in amounts of not less than one thousand dollars in value and issue gold certificates therefor of the description herein authorised : *And provided further*, That the Secretary of the Treasury may, in his discretion, receive, with the Treasurer or any Assistant Treasurer of the United States, deposits of gold bullion bearing the stamp of the coinage mints of the United States, or the assay office in New York, certifying their weight, fineness, and value, in amounts of not less than one thousand dollars in value and issue gold certificates therefor of the description herein authorised. But the amount of gold bullion and foreign coin so held shall not at any time exceed one-third of the total amount of gold certificates at such time outstanding. And section fifty-one hundred and ninety-three of the Revised Statutes of the United States is hereby repealed.

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II. ACTS RELATING TO SILVER CERTIFICATES.

ACT OF FEBRUARY 28TH, 1878.

Be it enacted, . . . That there shall be coined, at the several mints of the United States, silver dollars of the weight of four hundred and twelve and a-half grains Troy of standard silver, as provided in the act of January eighteenth, eighteen hundred and thirty-seven, on which shall be the devices and superscriptions provided by said act; (1) which coins, together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues public and private, except where otherwise expressly stipulated in the contract.

(Omitted lines repealed and superseded, July 14th, 1890.)

And provided further, That nothing in this act shall be construed to authorise the payment in silver of certificates of deposit issued under the provisions of section two hundred and fifty-four of the Revised Statutes.

Section 2.—(Temporary and expired.)

Section 8.—That any holder of the coin authorised by this act may deposit the same with the Treasurer or any Assistant Treasurer of the United States, in sums not less than ten dollars, and receive therefor certificates of not less than ten dollars each, corresponding with the denominations of the United States notes.

The coin deposited for or representing the certificates shall be retained in the Treasury for the payment of the same on demand.

Said certificates shall be receivable for Customs, taxes, and all public dues, and, when so received, may be reissued.

Section 4.—All Acts and parts of Acts inconsistent with the provisions of this act are hereby repealed. (Became a law February 28th, 1878, notwithstanding the President's veto.)

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ACT OF MARCH 3RD, 1887.

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Paragraph 2.—And the Secretary of the Treasury is hereafter authorised and required to issue silver-certificates in denominations of one, two and five dollars; and the silver-certificates herein authorised shall be receivable, redeemable, and payable in like manner and for like purposes as is provided for silver-certificates by the act of February twenty-eighth, eighteen hundred and seventy-eight, entitled "An act to authorise the coinage of the standard silver dollar, and to restore its legal-tender character;" and denominations of one, two, and five dollars, may be issued in lieu of silver-certificates of larger denominations in the Treasury, or in exchange therefor upon presentation by the holders; and to that extent said certificates of larger denominations shall be cancelled and destroyed.

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ACT OF MARCH 14TH, 1900.

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Section 7.—That hereafter silver certificates shall be issued only of denominations of ten dollars and under, except that not exceeding in the aggregate ten per centum of the total volume of said certificates, in the discretion of the Secretary of the Treasury, may be issued in denomination of twenty dollars, fifty dollars, and one hundred dollars; and silver certificates of higher denomination than ten dollars, except as herein provided, shall, whenever received at the Treasury or redeemed, be retired and cancelled, and certificates of denominations of ten dollars or less shall be substituted therefor, and after such substitution, in whole or in part a like volume of United States notes of less denomination than ten dollars shall from time to time be retired and cancelled, and notes of denominations of ten dollars and upward shall be reissued in substitution therefor, with like qualities and restrictions as those retired and cancelled.

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III. ACTS RELATING TO UNITED STATES NOTES.

The act of February 25th, 1862, authorised the issue of 150,000,000 United States notes, of which 50,000,000 were in lieu of an equal amount of demand notes and could be issued only as the demand notes were cancelled.

The Act of July 11th, 1862 authorised a second issue of 150,000,000, of which 50,000,000 were to be a temporary issue for the redemption of a debt known as the temporary loan.

The Act of March 3rd, 1863, authorised a third issue of 150,000,000.

The Act of April 12th, 1866 (suspended by the Act of February 4th, 1868), provided that United States notes might be retired to the extent of 10,000,000 during the ensuing six months, and that thereafter they might be retired at the rate of not more than 4,000,000 per month.

After the panic of 1873 the Government reissued 26,000,000 of the cancelled notes.

ACT OF JANUARY 14TH, 1875.

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Section 3.—

And on and after the first day of January, anno Domini eighteen hundred and seventy-nine, the Secretary of the Treasury shall redeem in coin, the United States legal-tender notes then outstanding on their presentation for redemption, at the office of the Assistant Treasurer of the United States in the City of New York, in sums of not less than fifty dollars.

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ACT OF MAY 31ST, 1878.

Be it enacted, . . . That from and after the passage of this Act it shall not be lawful for the Secretary of the Treasury or other officer under him to cancel or retire any more of the United States legal-tender notes. And when any of said notes may be redeemed or be received into the Treasury under any law from any source whatever and shall belong to the United States, they shall not be retired, cancelled or destroyed but they shall be re-issued and paid out again and kept in circulation :

Provided, That nothing herein shall prohibit the cancellation and destruction of mutilated notes and the issue of other notes of like denomination in their stead, as now provided by law; All acts and parts of acts in conflict herewith are hereby repealed.

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ACT OF MARCH 14TH, 1900.

Be it enacted . . . That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

Section 2.—That United States notes, and Treasury notes issued under the Act of July fourteenth, eighteen hundred and ninety, when presented to the Treasury for redemption, shall be redeemed in gold coin of the standard fixed in the first section of this Act, and in order to secure the prompt and certain redemption of such notes as herein provided it shall be the duty of the Secretary of the Treasury to set apart in the Treasury a reserve fund of one hundred and fifty million dollars in gold coin and bullion, which fund shall be used for such redemption purposes only, and whenever and as often as any of said notes shall be redeemed from said fund it shall be the duty of the Secretary of the Treasury to use said notes so redeemed to restore and maintain such reserve fund in the manner following, to wit :

First, by exchanging the notes so redeemed for any gold coin in the general fund of the Treasury : secondly, by accepting deposits of gold coin at the Treasury or at any sub-treasury in exchange for the United States notes so redeemed; thirdly, by procuring gold coin by the use of said notes, in accordance with the provisions of section thirty-seven hundred of the Revised Statutes of the United States.

If the Secretary of the Treasury is unable to restore and maintain the gold coin in the reserve fund by the foregoing methods, and the amount of such gold coin and bullion in said fund shall at any time fall below one hundred million dollars, then it shall be his duty to restore the same to the maximum sum of one hundred and fifty million dollars by borrowing money on the credit of the United States, and for the debt thus incurred to issue and sell coupon or registered bonds of the United States, in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of not exceeding three per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after one year from the date of their issue, and to be payable, principal and interest in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and the gold coin received from the sale of said bonds shall first be covered into the general fund of the Treasury and then exchanged, in the manner hereinbefore provided, for an equal amount of the notes redeemed and held for exchange, and the Secretary of the Treasury may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose the public interests may require, except that they shall not be used to meet deficiencies in the current revenues.

That United States notes when redeemed in accordance with the provisions of this section shall be reissued, but shall be held in the reserve fund until exchanged for gold, as herein provided; and the gold coin and bullion in the reserve fund, together with the redeemed notes held for use as provided in this section, shall at no time exceed the maximum sum of one hundred and fifty million dollars.

Section 3.—That nothing contained in this Act shall be construed to affect the legal tender quality as now provided by law of the silver dollar, or of any other money coined or issued by the United States.

Section 4.—That there be established in the Treasury Department, as a part of the office of the Treasurer of the United States, divisions to be designated and known as the division of issue and the division of redemption, to which shall be assigned, respectively, under such regulations as the Secretary of the Treasury may approve, all records and accounts relating to the issue and redemption of United States notes, gold certificates, silver certificates, and currency certificates.

There shall be transferred from the accounts of the general fund of the Treasury of the United States, and taken up on the books of said divisions, respectively, accounts relating to the reserve fund for the redemption of United States notes and Treasury notes, the gold coin held against outstanding currency certificates and the silver dollars held against outstanding silver certificates, and each of the funds represented by these accounts shall be used for the redemption of the notes and certificates for which they are respectively pledged, and shall be used for no other purpose, the same being held as trust funds.

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ACT OF MAY 30TH, 1908.

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Section 9.—

The taxes received on circulating notes secured otherwise than by bonds of the United States shall be paid into the Division of Redemption of the Treasury and credited and added to the reserve fund held for the redemption of United States and other notes.

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IV. ACTS RELATING TO TREASURY NOTES OF 1890.

ACT OF JULY 14TH, 1890.

Be it enacted . . . That the Secretary of the Treasury is hereby directed to purchase, from time to time, silver bullion to the aggregate amount of four million five hundred thousand ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding one dollar for three hundred and seventy-one and twenty-five hundredths grains of pure silver.

And to issue in payment for such purchases of silver bullion, Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than one dollar, nor more than one thousand dollars, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

Section 2.—That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any Assistant Treasurer of the United States, and when so redeemed may be reissued;

But no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom, then held in the Treasury purchased by such notes :

And such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for Customs, taxes, and all public dues, and when so received may be reissued;

And such notes, when held by any national banking association, may be counted as a part of its lawful reserve.

That upon demand of the holder of any of the Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion.

It being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

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ACT OF NOVEMBER 1ST, 1893.

Be it enacted That so much of the Act approved July fourteenth, eighteen hundred and ninety, entitled “An act directing the purchase of (1) silver bullion and issue of Treasury notes thereon, and for other purposes”, as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of four million five hundred thousand ounces, or so much thereof as may be offered in each month at the market price thereof, not exceeding one dollar for three hundred and seventy-one and twenty-five one hundredths grains of pure silver, and to issue in payment for such purchases Treasury notes of the United States, be, and the same is hereby, repealed.

And it is hereby further declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value.

Such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts.

And it is hereby further declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bi-metallism as will maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts. (November 1st, 1893.)

The Act of June 13th, 1898, provides that the Secretary of the Treasury shall coin into silver dollars, all of the silver bullion purchased under authority of the Act of July 14th, 1890.

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ACT OF MARCH 14TH, 1900.

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Section 5.—That it shall be the duty of the Secretary of the Treasury, as fast as standard silver dollars are coined under the provisions of the Acts of July fourteenth, eighteen hundred and ninety, and June thirteenth, eighteen hundred and ninetyeight, from bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, to retire and cancel an equal

amount of Treasury notes whenever received into the Treasury, either by exchange in accordance with the provisions of this Act or in the ordinary course of business, and upon the cancellation of Treasury notes silver certificates shall be issued against the silver dollars so coined.

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Section 8.—That the Secretary of the Treasury is hereby authorised to use, at his discretion, any silver bullion in the Treasury of the United States purchased under the Act of July fourteenth, eighteen hundred and ninety, for coinage into such denominations of subsidiary silver coin as may be necessary to meet the public requirements for such coin :

Provided, That the amount of subsidiary silver coin outstanding shall not at any time exceed in the aggregate one hundred millions of dollars.

Whenever any silver bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, shall be used in the coinage of subsidiary silver coin, an amount of Treasury notes issued under said Act equal to the cost of the bullion contained in such coin shall be cancelled and not reissued.

(See also sections 1, 2, 3, and 4 of same Act included under “Acts Relating to United States Notes”).

V. ACTS RELATING TO NATIONAL BANK-NOTES.

The Act of February 25th, 1863, first authorised the issue of circulating notes by national banking associations. This Act was found to be defective and was suspended by the Act of June 3rd, 1864.

ACT OF JUNE 3RD, 1864.

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*Section 5159*¹.—Every association, after having complied with the provisions of this Title, preliminary to the commencement of the banking business, and before it shall be authorised to commence banking business under this Title, shall transfer and deliver to the Treasurer of the United States any United States registered bonds, bearing interest, to an amount not less than thirty thousand dollars and not less than one-third of the capital stock paid in. Such bonds shall be received by the Treasurer upon deposit, and shall be by him safely kept in his office, until they shall be otherwise disposed of, in pursuance of the provisions of this Title.

*Section 5160*¹.—The deposit of bonds made by each association shall be increased as its capital may be paid up or increased, so that every association shall at all times have on deposit with the Treasurer, registered United States bonds to the amount of at least one-third of its capital stock actually paid in. And any association that may desire to reduce its capital or to close up its business and dissolve its organisation, may take up its bonds upon returning to the Comptroller its circulating notes in the proportion hereinafter required, or may take up any excess of bonds beyond one-third of its capital stock, and upon which no circulating notes have been delivered.

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¹ Of the Revised Statutes of the United States.

*Section 5171*¹.—Upon a deposit of bonds as prescribed by sections fifty-one hundred and fifty-nine, and fifty-one hundred and sixty, the association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as hereinafter provided, equal in amount to ninety per centum of the current market-value of the United States bonds so transferred and delivered, but not exceeding ninety per centum of the amount of the bonds at the par value thereof, if bearing interest at a rate not less than five per centum per annum; *Provided*, That the amount of circulating notes to be furnished to each association shall be in proportion to its paid-up capital, as follows, and no more :

1. To each association whose capital does not exceed five hundred thousand dollars, ninety per centum of such capital.
2. To each association whose capital exceeds five hundred thousand dollars, but does not exceed one million of dollars, eighty per centum of such capital.
3. To each association whose capital exceeds one million of dollars, but does not exceed three millions of dollars, seventy-five per centum of such capital.
4. To each association whose capital exceeds three millions of dollars, sixty per centum of such capital.

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*Section 5182*¹.—After any association receiving circulating notes under this Title has caused its promise to pay such notes on demand to be signed by the president or vice-president and cashier thereof, in such manner as to make them obligatory promissory notes, payable on demand, at its place of business, such association may issue and circulate the same as money. And the same shall be received at par in all parts of the United States in payment of taxes, excises, public lands, and all other dues to the United States, except duties on imports; and also for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on the public debt, and in redemption of the national currency.

*Section 5183*¹.—No national banking association shall issue (post notes or) any other notes to circulate as money than such as are authorised by the provisions of this Title.

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ACT OF JUNE 20th, 1874.

Be it enacted That the Act entitled (1) “An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof”, approved June third, eighteen hundred and sixty-four, shall hereafter be known as “The National-Bank Act”.

Section 2.—That section thirty-one of the “The National-Bank Act” be so amended that the several associations therein provided for shall not hereafter be required to keep on hand any amount of money whatever, by reason of the amount of their respective circulations; but the moneys required by said section to be kept at all times on hand shall be determined by the amount of deposits in all respects, as provided for in the said section.

Section 3.—That every association organised, or to be organised, under the provisions of the said Act, and of the several Acts amendatory thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to five per centum of its circulation, to be held and used for the redemption of such circulation;

¹ Of the Revised Statutes of the United States.

which sum shall be counted as a part of its lawful reserve, as provided in section two of this Act;

And when the circulating notes of any such associations, assorted or unassorted, shall be presented for redemption, in sums of one thousand dollars, or any multiple thereof, to the Treasurer of the United States, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Treasurer of the United States to the respective associations issuing the same, and he shall notify them severally, on the first day of each month, or oftener, at his discretion, of the amount of such redemptions : and whenever such redemptions for any association shall amount to the sum of five hundred dollars, such association so notified shall forthwith deposit with the Treasurer of the United States a sum in United States notes equal to the amount of its circulating notes so redeemed.

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Section 4.—That any association organised under this Act, or any of the Acts of which this is an amendment, desiring to withdraw its circulating notes in whole or in part, may, upon the deposit of lawful money with the Treasurer of the United States in sums of not less than nine thousand dollars, take up the bonds which said association has on deposit with the Treasurer for the security of such circulating notes; which bonds shall be assigned to the bank in the manner specified in the nineteenth section of the National Bank Act; and the outstanding notes of said association, to an amount equal to the legal tender notes deposited, shall be redeemed at the Treasury of the United States, and destroyed as now provided by law;

Provided, That the amount of the bonds on deposit for circulation shall not be reduced below fifty thousand dollars.

Section 5.—That the Comptroller of the Currency shall, under such rules and regulations as the Secretary of the Treasury may prescribe, cause the charter-numbers of the association to be printed upon all national bank-notes which may be hereafter issued by him.

Section 6.—That the amount of United States notes outstanding and to be used as a part of the circulating medium shall not exceed the sum of three hundred and eighty-two million dollars, which said sum shall appear in each monthly statement of the public debt, and no part thereof shall be held or used as a reserve.

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ACT OF JULY 12TH, 1882.

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Section 8.—That national banks now organised or hereafter organised, having a capital of one hundred and fifty thousand dollars, or less, shall not be required to keep on deposit or deposit with the Treasurer of the United States United States bonds in excess of one-fourth of their capital stock as security for their circulating notes; but such banks shall keep on deposit or deposit with the Treasurer of the United States the amount of bonds as herein required.

And such of those banks having on deposit bonds in excess of that amount are authorised to reduce their circulation by the deposit of lawful money as provided by law; *provided* That the amount of such circulating notes shall not in any case exceed ninety per centum of the par value of the bonds deposited as herein provided.

The Act of March 14th, 1900, fixed the tax on circulation secured by 2 per cent bonds at one-fourth of 1 per cent semi-annually and provided for the organisation of banks of not less than \$25,000 capital in places with population not in excess of 3,000. This Act increased the amount of circulation allowed from 90 per cent of par to par value of the bonds deposited, but did not modify the requirement that banks should deposit bonds for circulation.

The Federal Reserve Act provides that national banks thereafter organised shall not be required to deposit United States bonds as a condition precedent to being authorised to begin business.

It further stipulates that after two years from its passage and for twenty years thereafter any member bank desiring to retire the whole or any part of its circulation may file with the Treasurer of the United States an application to sell for its account, at par and accrued interest, United States bonds securing the circulation to be retired¹. Provision is made for the purchase by the Federal reserve banks of the bonds offered for sale by the national banks, the purchase money to be deposited in the Treasury for the redemption of the circulation to be retired.

VI. ACTS RELATING TO FEDERAL RESERVE NOTES.

THE FEDERAL RESERVE ACT (December 23rd, 1913) AS AMENDED.

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Section 11.—The Federal Reserve Board shall be authorised and empowered :

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(c) To suspend for a period not exceeding thirty days, and from time to time to renew such suspension for periods not exceeding fifteen days, any reserve requirements specified in this Act : *Provided*, That it shall establish a graduated tax upon the amounts by which the reserve requirements of this Act may be permitted to fall below the level hereinafter specified : *And provided further*, That when the gold reserve held against Federal reserve notes falls below forty per centum, the Federal Reserve Board shall establish a graduated tax of not more than one per centum per annum upon such deficiency until the reserves fall to thirty-two and one-half per centum, and when said reserve falls below thirty-two and one-half per centum, a tax at the rate increasingly of not less than one and one-half per centum per annum upon each two and one-half per centum or fraction thereof that such reserve falls below thirty-two and one-half per centum. The tax shall be paid by the reserve bank, but the reserve bank shall add an amount equal to said tax to the rates of interest and discount fixed by the Federal Reserve Board.

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Section 13.—Any Federal reserve bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, national-bank notes, Federal reserve notes, or checks, and drafts, payable upon presentation, and also, for collection, maturing notes and bills; or, solely for purposes of exchange or of collection, may receive from other Federal reserve banks deposits of current funds in lawful money, national-bank notes, or checks upon other Federal reserve banks, and checks and drafts, payable upon presentation within its district,

¹ See under "Acts Relating to Federal Reserve Bank-Notes", Federal Reserve Act, Section 18.

and maturing notes and bills payable within its district; or, solely for the purposes of exchange or of collection, may receive from any nonmember bank or trust company deposits of current funds in lawful money, national-bank notes, Federal reserve notes, checks and drafts payable upon presentation, or maturing notes and bills: *Provided*, Such nonmember bank or trust company maintains with the Federal reserve bank of its district a balance sufficient to offset the items in transit held for its account by the Federal reserve bank: *Provided, further*, That nothing in this or any other section of this act shall be construed as prohibiting a member or nonmember bank from making reasonable charges, to be determined and regulated by the Federal Reserve Board, but in no case to exceed 10 cents per \$100 or fraction thereof, based on the total of checks and drafts presented at any one time, for collection or payment of checks and drafts and remission therefor by exchange or otherwise; but no such charges shall be made against the Federal reserve banks.

Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice and protest by such bank as to its own indorsement exclusively, any Federal reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this Act. Nothing in this Act contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount, and the notes, drafts, and bills of exchange of factors issued as such making advances exclusively to producers of staple agricultural products in their raw state shall be eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days, exclusive of grace.

Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, and subject to regulations and limitations to be prescribed by the Federal Reserve Board, any Federal reserve bank may discount or purchase bills of exchange payable at sight or on demand which are drawn to finance the domestic shipment of nonperishable, readily marketable staple agricultural products and are secured by bills of lading or other shipping documents conveying or securing title to such staples: *Provided*, That all such bills of exchange shall be forwarded promptly for collection, and demand for payment shall be made with reasonable promptness after the arrival of such staples at their destination: *Provided, further*, That no such bill shall in any event be held by or for the account of a Federal reserve bank for a period in excess of 90 days. In discounting such bills Federal reserve banks may compute the interest to be deducted on the basis of the estimated life of each bill and adjust the discount after payment of such bills to conform to the actual life thereof.

The aggregate of such notes, drafts, and bills bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank shall at no time exceed ten per centum of the unimpaired capital and surplus of said bank; but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

Any Federal reserve bank may discount acceptances of the kinds hereinafter described, which have a maturity at the time of discount of not more than 90 days' sight, exclusive of days of grace, and which are indorsed by at least one member bank: *Provided*, That such acceptances if drawn for an agricultural purpose and secured at the time of acceptance by warehouse receipts or other such documents conveying or securing title covering readily marketable staples may be discounted with a maturity at the time of discount of not more than six months' sight exclusive of days of grace.

Any member bank may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or

other such document conveying or securing title covering readily marketable staples. No member bank shall accept, whether in a foreign or domestic transaction, for any one person, company, firm, or corporation to an amount equal at any time in the aggregate to more than ten per centum of its paid-up and unimpaired capital stock and surplus, unless the bank is secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance; and no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up and unimpaired capital stock and surplus : *Provided, however,* That the Federal Reserve Board, under such general regulations as it may prescribe, which shall apply to all banks alike regardless of the amount of capital stock and surplus, may authorize any member bank to accept such bills to an amount not exceeding at any time in the aggregate one hundred per centum of its paid-up and unimpaired capital stock and surplus : *Provided, further,* That the aggregate of acceptances growing out of domestic transactions shall in no event exceed fifty per centum of such capital stock and surplus.

Any Federal reserve bank may make advances to its member banks on their promissory notes for a period not exceeding fifteen days at rates to be established by such Federal reserve banks, subject to the review and determination of the Federal Reserve Board, provided such promissory notes are secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this Act, or by the deposit or pledge of bonds or notes of the United States.

Section fifty-two hundred and two of the Revised Statutes of the United States is hereby amended so as to read as follows : "No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following :

First. Notes of circulation.

Second. Moneys deposited with or collected by the association.

Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

Fifth. Liabilities incurred under the provisions of the Federal Reserve Act.

Sixth. Liabilities incurred under the provisions of the War Finance Corporation Act.

Seventh. Liabilities created by the indorsement of accepted bills of exchange payable abroad actually owned by the indorsing bank and discounted at home or abroad.

Eighth. Liabilities incurred under the provisions of section 202 of Title II of the Federal Farm Loan Act, approved July 17, 1916, as amended by the Agricultural Credits Act of 1923.

The discount and rediscount and the purchase and sale by any Federal reserve bank of any bills receivable and of domestic and foreign bills of exchange, and of acceptances authorized by this Act, shall be subject to such restrictions, limitations, and regulations as may be imposed by the Federal Reserve Board.

That in addition to the powers now vested by law in national banking associations organized under the laws of the United States any such association located and doing business in any place the population of which does not exceed five thousand inhabitants, as shown by the last preceding decennial census, may, under such rules and regulations as may be prescribed by the Comptroller of the Currency, act as the agent for any fire, life, or other insurance company authorized by the authorities of the State in which said bank is located to do business in said State, by soliciting and selling insurance and collecting premiums on policies issued by such company; and may receive for services so rendered such fees or commissions as may be agreed upon between the said association and the insurance company for which it may act as agent; and may also act as the broker or agent for others in making or procuring loans on real estate located within one hundred miles of the place in which said bank may be located, receiving for such services a reasonable fee or commission : *Provided, however,* That no such bank shall in any case guarantee either the principal or interest of any such loans or assume or guarantee the payment of any premium on insurance policies issued through its agency by its principal : *And provided further,* That the bank shall not guarantee the truth of any statement made by an assured in filing his application for insurance.

Any member bank may accept drafts or bills of exchange drawn upon it having not more than three months' sight to run, exclusive of days of grace, drawn under regulations to be prescribed by the Federal Reserve Board by banks or bankers in foreign countries or dependencies or

insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries, dependencies, or insular possessions. Such drafts or bills may be acquired by Federal reserve banks in such amounts and subject to such regulations, restrictions, and limitations as may be prescribed by the Federal Reserve Board : *Provided, however,* That no member bank shall accept such drafts or bills of exchange referred to this paragraph for any one bank to an amount exceeding in the aggregate ten per centum of the paid-up and unimpaired capital and surplus of the accepting bank unless the draft or bill of exchange is accompanied by documents conveying or securing title or by some other adequate security : *Provided further,* That no member bank shall accept such drafts or bills in an amount exceeding at any time the aggregate of one-half of its paid-up and unimpaired capital and surplus.

Section 13a.—Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, any Federal reserve bank may, subject to regulations and limitations to be prescribed by the Federal Reserve Board, discount notes, drafts, and bills of exchange issued or drawn for an agricultural purpose, or based upon live stock, and having a maturity, at the time of discount, exclusive of days of grace, not exceeding nine months, and such notes, drafts, and bills of exchange may be offered as collateral security for the issuance of Federal reserve notes under the provisions of section 16 of this Act : *Provided,* That notes, drafts, and bills of exchange with maturities in excess of six months shall not be eligible as a basis for the issuance of Federal reserve notes unless secured by warehouse receipts or other such negotiable documents conveying or securing title to readily marketable staple agricultural products or by chattel mortgage upon live stock which is being fattened for market.

That any Federal reserve bank may, subject to regulations and limitations to be prescribed by the Federal Reserve Board, rediscount such notes, drafts, and bills for any Federal Intermediate Credit Bank, except that no Federal reserve bank shall rediscount for a Federal Intermediate Credit Bank any such note or obligation which bears the indorsement of a nonmember State bank or trust company which is eligible for membership in the Federal reserve system, in accordance with section 9 of this Act.

Any Federal reserve bank may also buy and sell debentures and other such obligations issued by a Federal Intermediate Credit Bank or by a National Agricultural Credit Corporation, but only to the same extent as and subject to the same limitations as those upon which it may buy and sell bonds issued under Title I of the Federal Farm Loan Act.

Notes, drafts, bills of exchange or acceptances issued or drawn by co-operative marketing associations composed of producers of agricultural products shall be deemed to have been issued or drawn for an agricultural purpose, within the meaning of this section, if the proceeds thereof have been or are to be advanced by such association to any members thereof for an agricultural purpose, or have been or are to be used by such association in making payments to any members thereof on account of agricultural products delivered by such members to the association, or if such proceeds have been or are to be used by such association to meet expenditures incurred or to be incurred by the association in connection with the grading, processing, packing, preparation for market, or marketing of any agricultural product handled by such association for any of its members : *Provided,* That the express enumeration in this paragraph of certain classes of paper of co-operative marketing associations as eligible for rediscount shall not be construed as rendering ineligible any other class of paper of such associations which is now eligible for rediscount.

The Federal Reserve Board may, by regulation, limit to a percentage of the assets of a Federal reserve bank the amount of notes, drafts, acceptances, or bills having a maturity in excess of three months, but not exceeding six months, exclusive of days of grace, which may be discounted by such bank, and the amount of notes, drafts, bills, or acceptances having a maturity in excess of six months, but not exceeding nine months, which may be rediscounted by such bank.

Section 14.—Any Federal reserve bank may, under rules and regulations prescribed by the Federal Reserve Board, purchase and sell in the open market, at home or abroad, either from or to domestic or foreign banks, firms, corporations, or individuals, cable transfers and bankers' acceptances and bills of exchange of the kinds and maturities by this Act made eligible for rediscount, with or without the indorsement of a member bank.

Every Federal reserve bank shall have power :

(a) To deal in gold coin and bullion at home or abroad, to make loans thereon, exchange Federal reserve notes for gold, gold coin, or gold certificates, and to contract for loans of gold coin or bullion, giving therefor, when necessary, acceptable security, including the hypothecation of United States bonds or other securities which Federal reserve banks are authorized to hold;

(b) To buy and sell, at home or abroad, bonds and notes of the United States, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Federal Reserve Board;

(c) To purchase from member banks and to sell, with or without its indorsement, bills of exchange arising out of commercial transactions, as hereinbefore defined;

(d) To establish from time to time, subject to review and determination of the Federal Reserve Board, rates of discount to be charged by the Federal reserve bank for each class of paper, which shall be fixed with a view of accommodating commerce and business;

(e) To establish accounts with other Federal reserve banks for exchange purposes and, with the consent or upon the order and direction of the Federal Reserve Board and under regulations to be prescribed by said board, to open and maintain accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may be deemed best for the purpose of purchasing, selling, and collecting bills of exchange, and to buy and sell, with or without its indorsement, through such correspondents or agencies, bills of exchange (or acceptances) arising out of actual commercial transactions which have not more than ninety days to run, exclusive of days of grace, and which bear the signature of two or more responsible parties, and, with the consent of the Federal Reserve Board, to open and maintain banking accounts for such foreign correspondents or agencies. Whenever any such account has been opened or agency or correspondent has been appointed by a Federal reserve bank, with the consent of or under the order and direction of the Federal Reserve Board, any other Federal reserve bank may, with the consent and approval of the Federal Reserve Board, be permitted to carry on or conduct, through the Federal reserve bank opening such account or appointing such agency or correspondent, any transaction authorized by this section under rules and regulations to be prescribed by the board.

(f) To purchase and sell in the open market, either from or to domestic banks, firms, corporations, or individuals, acceptances of Federal Intermediate Credit Banks and of National Agricultural Credit Corporations, whenever the Federal Reserve Board shall declare that the public interest so requires.

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Section 16.—Federal reserve notes, to be issued at the discretion of the Federal Reserve Board for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are hereby authorised. The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in gold on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or in gold or lawful money at any Federal reserve bank.

Any Federal reserve bank may make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section thirteen of this act, or bills of exchange indorsed by a member bank of any Federal reserve district and purchased under the provisions of section fourteen of this act, or bankers' acceptances purchased under the provisions of said section fourteen, or gold or gold certificates; but in no event shall such collateral security, whether

gold, gold certificates, or eligible paper, be less than the amount of Federal reserve notes applied for. The said Federal Reserve Board may at any time call upon a Federal reserve bank for additional security to protect the Federal reserve notes issued to it.

Every Federal reserve bank shall maintain reserves in gold or lawful money of not less than thirty-five per centum against its deposits, and reserves in gold of not less than forty per centum against its Federal reserve notes in actual circulation : *Provided, however,* That when the Federal reserve agent holds gold or gold certificates as collateral for Federal reserve notes issued to the bank such gold or gold certificates shall be counted as part of the gold reserve which such bank is required to maintain against its Federal reserve notes in actual circulation. Notes so paid out shall bear upon their faces a distinctive letter and serial number which shall be assigned by the Federal Reserve Board to each Federal reserve bank. Whenever Federal reserve notes issued through one Federal reserve bank shall be received by another Federal reserve bank, they shall be promptly returned for credit or redemption to the Federal reserve bank through which they were originally issued or, upon direction of such Federal reserve bank, they shall be forwarded direct to the Treasurer of the United States to be retired. No Federal reserve bank shall pay out notes issued through another under penalty of a tax of ten per centum upon the face value of notes so paid out. Notes presented for redemption at the Treasury of the United States shall be paid out of the redemption fund and returned to the Federal reserve banks through which they were originally issued, and thereupon such Federal reserve bank shall, upon demand of the Secretary of the Treasury, reimburse such redemption fund in lawful money or, if such Federal reserve notes have been redeemed by the Treasurer in gold or gold certificates, then such funds shall be reimbursed to the extent deemed necessary by the Secretary of the Treasury in gold or gold certificates, and such Federal reserve bank shall, so long as any of its Federal reserve notes remain outstanding, maintain with the Treasurer in gold an amount sufficient in the judgment of the Secretary to provide for all redemptions to be made by the Treasurer. Federal reserve notes received by the Treasurer otherwise than for redemption may be exchanged for gold out of the redemption fund hereinafter provided and returned to the reserve bank through which they were originally issued, or they may be returned to such bank for the credit of the United States. Federal reserve notes unfit for circulation shall be returned by the Federal reserve agents to the Comptroller of the Currency for cancellation and destruction.

The Federal Reserve Board shall require each Federal reserve bank to maintain on deposit in the Treasury of the United States a sum in gold sufficient in the judgment of the Secretary of the Treasury for the redemption of the Federal reserve notes issued to such bank, but in no event less than five per centum of the total amount of notes issued less the amount of gold or gold certificates held by the Federal reserve agent as collateral security; but such deposit of gold shall be counted and included as part of the forty per centum reserve hereinbefore required. The board shall have the right, acting through the Federal reserve agent, to grant in whole or in part, or to reject entirely the application of any Federal reserve bank for Federal reserve notes; but to the extent that such application may be granted the Federal Reserve Board shall, through its local Federal reserve agent, supply Federal reserve notes to the banks so applying, and such bank shall be charged with the amount of notes issued to it and shall pay such rate of interest as may be established by the Federal Reserve Board on only that amount of such notes which equals the total amount of its outstanding Federal reserve notes less the amount of gold or gold certificates held by the Federal reserve agent as collateral security. Federal reserve notes issued to any such bank shall, upon delivery, together with such notes of such Federal reserve bank as may be issued under section eighteen of this Act upon security of United States two per centum Government bonds, become a first and paramount lien on all the assets of such bank.

Any Federal reserve bank may at any time reduce its liability for outstanding Federal reserve notes by depositing with the Federal reserve agent its Federal reserve notes, gold, gold certificates, or lawful money of the United States. Federal reserve notes so deposited shall not be reissued, except upon compliance with the conditions of an original issue.

The Federal reserve agent shall hold such gold, gold certificates, or lawful money available exclusively for exchange for the outstanding Federal reserve notes when offered by the reserve bank of which he is a director. Upon the request of the Secretary of the Treasury the Federal Reserve Board shall require the Federal reserve agent to transmit to the Treasurer of the United States so much of the gold held by him as collateral security for Federal reserve notes as may

be required for the exclusive purpose of the redemption of such Federal reserve notes, but such gold when deposited with the Treasurer shall be counted and considered as if collateral security on deposit with the Federal reserve agent.

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VII. ACTS RELATING TO FEDERAL RESERVE BANK-NOTES.

THE FEDERAL RESERVE ACT (December 23rd, 1913).

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Section 4.—Upon the filing of such certificate with the Comptroller of the Currency as aforesaid, the said Federal reserve bank shall become a body corporate, and as such, and in the name designated in such organisation certificate, shall have power—

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8. Upon deposit with the Treasurer of the United States of any bonds of the United States in the manner provided by existing law relating to national banks, to receive from the Comptroller of the Currency circulating notes in blank, registered and countersigned as provided by law, equal in amount to the par value of the bonds so deposited, such notes to be issued under the same conditions and provisions of law as relate to the issue of circulating notes of national banks secured by bonds of the United States bearing the circulating privilege, except that the issue of such notes shall not be limited to the capital stock of such Federal reserve bank.

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Section 18.—After two years from the passage of this Act, and at any time during a period of twenty years thereafter, any member bank desiring to retire the whole or any part of its circulating notes, may file with the Treasurer of the United States an application to sell for its account, at par and accrued interest, United States bonds securing circulation to be retired.

The Treasurer shall, at the end of each quarterly period, furnish the Federal Reserve Board with a list of such applications, and the Federal Reserve Board may, in its discretion, require the Federal reserve banks to purchase such bonds from the banks whose applications have been filed with the Treasurer at least ten days before the end of any quarterly period at which the Federal Reserve Board may direct the purchase to be made : *Provided*, That Federal reserve banks shall not be permitted to purchase an amount to exceed \$25,000,000 of such bonds in any one year, and which amount shall include bonds acquired under section four of this Act by the Federal reserve bank.

Provided further, That the Federal Reserve Board shall allot to each Federal reserve bank such proportion of such bonds as the capital and surplus of such bank shall bear to the aggregate capital and surplus of all the Federal reserve banks.

Upon notice from the Treasurer of the amount of bonds so sold for its account, each member bank shall duly assign and transfer, in writing, such bonds to the Federal reserve bank purchasing the same, and such Federal reserve bank shall, thereupon, deposit lawful money with the Treasurer of the United States for the purchase price of such bonds, and the Treasurer shall pay to the member bank selling such bonds any balance due after deducting a sufficient sum to redeem

its outstanding notes secured by such bonds, which notes shall be cancelled and permanently retired when redeemed.

The Federal reserve banks purchasing such bonds shall be permitted to take out an amount of circulating notes equal to the par value of such bonds.

Upon the deposit with the Treasurer of the United States of bonds so purchased, or any bonds with the circulating privilege acquired under section four of this Act, any Federal reserve bank making such deposit in the manner provided by existing law, shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, registered and countersigned as provided by law, equal in amount to the par value of the bonds so deposited. Such notes shall be the obligations of the Federal reserve bank procuring the same, and shall be in form prescribed by the Secretary of the Treasury, and to the same tenor and effect as national bank-notes now provided by law. They shall be issued and redeemed under the same terms and conditions as national bank-notes except that they shall not be limited to the amount of the capital stock of the Federal reserve bank issuing them.

URUGUAY.

[*Translation.*]

CHARTER OF THE BANCO DE LA REPUBLICA ORIENTAL DEL URUGUAY, PROMULGATED JULY 17TH, 1911.

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Article 10.

The Bank shall enjoy the exclusive right to issue notes within the following limits :

Up to 50 % of its paid-up capital in notes of less than ten pesos, convertible at its option into silver or gold coin;

Up to three times the amount of that capital in notes of ten pesos and over, payable in gold to bearer and at sight, the Bank being at all times obliged to hold in its vaults a gold reserve amounting to not less than 40 % of its note circulation, plus its sight deposits.¹
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LAW OF AUGUST 8TH, 1914.
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Article 2.

The Bank of the Republic is authorised not to convert its notes in coin for a period of six months, dating from the promulgation of the present law.
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Article 10.

It is prohibited to export, re-embark or tranship coal, or gold in the form of coin or bars. The Federal Executive is authorised to determine the cases in which exceptions shall be allowed, among which shall be included the fuelling of ships. This provision shall have retroactive force.
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¹ Article 1 of the Law of November 27th, 1917, changed the words “ sight deposits ” to “ other sight liabilities ”.

LAW OF DECEMBER 17TH, 1923.

Article 2.

The existing regime, whereby the Bank of the Republic is authorised not to convert its notes, shall be continued until the promulgation of a further legislative measure. The prohibition to export gold shall be maintained on the same conditions, the Executive being authorised to determine the cases in which exceptions shall be allowed.¹

LAW OF OCTOBER 18TH, 1928.

Article 1.

The Bank of the Republic shall be free to make such use of its reserve of gold coin exceeding the sum of fifty-five million pesos (\$55,000,000) as it thinks fit, the prohibition contained in Article 2 of the Law of December 17th, 1923, being abrogated in so far as this surplus is concerned.

Article 2.

The gold deposits abroad of the Bank of Uruguay shall form an integral part of its gold reserve and their value shall be taken into account for the purposes of Article 10 of the Organic Statute.

Article 3.

The Bank shall be authorised to issue notes of ten pesos and over corresponding to the value of its gold deposits abroad up to a maximum of fifteen million pesos.

¹ The inconvertibility of the notes of the Bank of the Republic and the prohibition to export gold, which were first enacted by the Law of August 8th, 1914, were prolonged to December 17th, 1923; by the Law of February 2nd, 1915 : Articles 2 and 3; the Law of January 14th, 1916 : Article 2; the Law of November 27th, 1917 : Article 2; the Law of April 7th, 1920 : Articles 1 and 2; the Law of December 17th, 1920 : Article 3; the Law of November 11th, 1921 : Article 3; and the Law of October 16th, 1922 : Article 3.

VENEZUELA.

[*Translation.*]

CURRENCY LAW OF JUNE 24TH, 1918 (LAW No. 12730).

Article 1.

The minting of money shall be reserved for the Nation.

Article 2.

The monetary unit of the United States of Venezuela shall be the gold bolivar, which is equivalent to two hundred and ninety thousand three hundred and twenty-three millionths of a gramme (0.290323 gramme) of fine gold, and shall be regarded as divided into one hundred equal parts or centesimos.

Article 3.

The United States of Venezuela shall mint gold, silver and nickel coins.

Article 4.

The gold standard shall be nine hundred-thousandths; there shall be two standards for silver, one of nine hundred thousandths and the other of eight hundred and thirty-five thousandths.

Article 5.

The gold coins shall be as follows :

Pieces of one hundred bolivars, weighing thirty-two grammes twenty-five thousand eight hundred and six hundred-thousandths (32.25806 grammes) and having a diameter of thirty-five millimetres.

Pieces of twenty bolivars, weighing six grammes forty-five thousand one hundred and sixty-one hundred-thousandths (6.45161 grammes) and having a diameter of twenty-one millimetres.

Pieces of ten bolivars, weighing three grammes twenty-two thousand five hundred and eighty hundred-thousandths (3.22580 grammes) and having a diameter of nineteen millimetres.

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Article 14.

Orders for the minting or re-minting of currency shall be issued by the Federal Executive in accordance with the requirements of the circulation and subject to the previous authorisation of the National Congress, specifying the quantity to be minted or re-minted.

Article 15.

No minting of silver shall be allowed unless the same decree provides that double the quantity of gold shall also be minted; if, however, at the time the silver is minted there is twice the quantity in minted gold in the Treasury reserve fund, the Federal Executive may only mint the quantity of silver authorised by the National Congress.

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Article 20.

Foreign gold coin will have legal currency for a value determined by the Federal Executive in accordance with its fine gold content.

Article 21.

The Federal Executive will lay down the methods which he considers proper for verifying the authenticity of foreign gold coin permitted to circulate with legal currency.

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Article 23.

It is prohibited to import and put into circulation foreign coins other than those of gold.

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BANK LAW OF JULY 19TH, 1926 (LAW No. 15628).

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CHAPTER III.—BANKS OF ISSUE.

Article 20.

The right to authorise the issue of notes with a free circulation and covered by sufficient security to guarantee their repayment at par to the bearer on demand shall be reserved to the Nation, which may entrust the corresponding right of issue to national companies under the conditions laid down by this Law.

Article 21.

Banks desirous of obtaining the right to issue notes must make a request to this effect to the Federal Executive through the Ministry of Commerce, and fulfil the following requirements :

1. The bank must have been constituted in Venezuela in accordance with Venezuelan laws and must have its head office in the country.
2. The capital with which the bank has been constituted must be gold coin of legal currency.
3. It must present to the Ministry of Commerce a complete copy of its articles of association, together with a copy of the entry in the commercial register and of other documents relating to its constitution.
4. The entry in the commercial register must specify :
 - (a) The title adopted by the bank, its trading name and signature;
 - (b) Its capital;
 - (c) The method and date by which this capital is to be paid up;
 - (d) The branches of business to be undertaken by the bank;
 - (e) Its domicile;
 - (f) The period for which it has been constituted.

5. The bank must also submit to the Ministry of Commerce a duly authorised copy of its statutes, which must be approved by the Federal Executive.

Article 22.

After these documents have been examined and the statutes approved, the Federal Executive shall decide whether the bank shall or shall not be granted the right to issue notes; if this right is granted, the bank shall receive a written authorisation signed by the Minister of Commerce. When granting this authorisation the Federal Executive may, if he considers it expedient in the national interest, fix a lower limit for the issue of notes than that stipulated in Article 26 of this Law.

Article 23.

The authorisation granted in accordance with the preceding Article may be suspended or cancelled by the Federal Executive by a resolution of the Cabinet, if it be proven that the bank has engaged in illicit transactions, and also in cases of infringement of the present Law involving the suspension or cancellation of the said authorisation.

Sub-Paragraph.—The Federal Executive may likewise declare, when he considers it expedient in the national interest, that no further authorisation to issue notes shall be granted for a given period.

Article 25.

Any alteration whatsoever in the articles of association of a Bank of Issue as well as any modification of its statutes shall necessitate the procuring of a new authorisation to issue notes in conformity with Article 21 of this Law.

In this case, the Federal Executive, if he considers it necessary, may fix a limit to the total issue, in conformity with the stipulations of Article 22.

Article 26.

The Banks of Issue may be authorised to issue notes up to twice the amount of their paid-up capital. The total value of the notes issued must be covered by a reserve in coin of legal currency held in the vaults of the Bank and by the Bank's assets payable in the country at sight or within 30 days; but in any case the reserve of gold coinage held in the vaults of the Banks must represent at least one-third of the value of the notes issued. This reserve may be reduced in proportion to the amount represented by notes which are not in circulation, provided such notes are kept with the gold reserve referred to above. When the national interest requires it, the Federal Executive may fix a reserve ratio greater than that stipulated in the present Article as guarantee for the issue; in which case he shall fix a sufficient period to allow the Banks to comply with the new regulation.

Article 27.

The Federal Executive, when he considers that the needs of the currency circulation require it, may authorise the Banks of Issue to issue notes up to three times their paid-up capital; but the notes issued in excess of the limit fixed in the previous Article must be represented by their equivalent in gold coin of legal currency held in the vaults of the Banks.

This authorisation may be cancelled at any time by the Federal Executive, and, in the case of cancellation, the notes issued in excess of the limit fixed must be withdrawn within three months.

Article 28.

The notes issued shall represent the gold value of the national currency and its multiples, but shall in no case represent less than 10 or more than 1,000 bolivars.

Article 29.

Bank-notes shall not have compulsory currency. The Banks of Issue shall be obliged to receive their own notes in payment at their principal offices and at any of their branches at which such notes may be presented. They shall also be obliged to convert into coinage of legal currency the notes presented to them for exchange at their principal offices. To this end the Banks of Issue must keep their counters open at least four hours a day for the exchange of notes and other cash operations.

The Federal Executive shall determine, in proportion to the size of the agencies or branches of each Bank, the maximum quantity of notes which each of such agencies or branches shall be obliged to exchange for legal currency on presentation. When a quantity greater than this maximum is presented, the agency shall be given sufficient time to obtain the necessary funds from the principal office.

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Article 34.

In the case of the liquidation of a Bank of Issue, its debts shall be paid in the following order :

- (1) Mortgage debts and preferential creditors in the order and with the priority established by law;
- (2) National Treasury claims;
- (3) The amount of its notes in circulation;
- (4) The amount of its loans outstanding;
- (5) Other liabilities in the order established by law.

Article 35.

If a Bank of Issue loses one-half of its capital it shall at once go into liquidation, unless the partners or shareholders reconstitute the original capital. Creditors may not utilise the amounts owing to them by the bank to make up the capital for the reorganisation of the institute. In calculating the capital in such a case, overdue claims shall not be included in the bank's assets.

Article 36.

Bank-notes are not subject to cancellation so long as the bank continues in business. Should the Bank of Issue go into liquidation or the authorisation granted to the bank to issue notes be suspended or cancelled, the notes in circulation shall be called in within a period of five years. After this period has expired, holders of notes who have not presented them for conversion shall forfeit their right and the sum corresponding to the value of these notes shall be paid to the offices of the National Treasury, to be credited to the public funds.

Sub-paragraph.—Should the liquidation of the bank be completed, or should it cease operations for some other reason, before the expiry of the term of five years fixed for the calling-in of the notes, the bank shall appoint, with the approval of the Ministry of Commerce, and shall make known through the Press, a bank or commercial firm to which holders of notes must apply to have them exchanged; it shall deliver to the said establishment a detailed list of notes still in circulation and shall provide the necessary funds for their repayment. The funds remaining at the end of the five years shall be remitted to the National Treasury.

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YUGOSLAVIA.

[*Translation.*]

STATUTES OF THE NATIONAL BANK.

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Article 19.

In virtue of Article 11 of the National Bank Law, the National Bank shall undertake only the following operations :

1. Discounting and rediscounting of bills of exchange bearing at least two reliable signatures and of not more than three months' term; public warrants of the country; State Treasury bonds and coupons of State bonds on the conditions laid down in the present Statutes; purchase and sale of bills of exchange and cheques drawn on places abroad.
2. Purchase and sale of gold and silver.
3. Loans against security :
 - (a) Of gold and silver;
 - (b) Of any State obligations whatever (bonds, lottery bonds, Treasury bills, etc.) as well as of bonds, shares and pledges guaranteed by the State, pledges and communal bonds of credit institutions and of business concerns generally, recognised as trustee securities. The term of such loans shall not exceed three months.
4. Issue of short-term drafts on sums deposited in gold specie or banknotes for Customs payments and other State contributions.
5. Acceptance of money and other valuables on ordinary deposit terms.
6. Acceptance of money and other valuables in current account against issue of cash orders, credits or cheques.
7. Opening of transfer accounts.
8. Collections, payments against cover previously deposited, and banking operations on commission.
9. The service of subscriptions to loans for account of the State and local government authorities and for the industrial and trading concerns of the country.
10. Loans secured by the bonds of the Union of Agricultural Co-operative Societies, and acceptance for rediscount of bills of exchange of the Union of Artisans' Co-operative Societies.
11. Collection from our emigrants of stable currency and the use thereof for the advantage of the country's monetary circulation.
12. The gratuitous discharge of the functions of State cashier on terms agreed between the Bank and the State.

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Article 29.

The National Bank shall have the sole right to issue banknotes. The type of note to be issued and the mode of supervision of its manufacture shall be fixed by the Board of Directors in agreement with the Minister of Commerce and Industry and the Minister of Finance.

Article 30.

The National Bank is required to redeem its notes on presentation in legal-tender currency. This obligation on the part of the Bank shall be printed on all banknotes. Payment may be postponed at branch offices until the receipt of specie from the head office. The Bank is required to exchange notes of one type against notes of another type.

Article 31.

The Bank may temporarily suspend payment of its notes, but only in exceptional cases, in conjunction with and acting on the decision of the Cabinet.

Article 32.

Banknotes in circulation must be covered by a gold and silver reserve and by other commercial and financial securities readily convertible into cash. Commercial and financial securities shall be deemed to be those obtained as a result of transactions referred to in Article 19 of the present Statutes, and bills of exchange of the Union of Agricultural Co-operative Societies and of the Union of Peasants' Co-operative Societies (Zadrougas).

Article 33.

The metallic reserve of the National Bank shall comprise the gold and silver specie in its vaults, together with that held for its account abroad. The amount of each of these and their relative proportions in the metallic reserve shall be fixed in due course by common agreement between the Minister of Commerce and Industry, the Minister of Finance and the National Bank.

Article 34.

The National Bank may put into circulation as its normal note issue up to a maximum of three times what it holds in the metallic reserve.

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LAW ON THE NATIONAL BANK.

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Temporary Provision IV.

The amount of currency notes put into circulation in exchange for crown notes shall be shown in the Bank's books as "crown notes States debt, free of interest".

The State must guarantee this debt as follows :

1. By part of the State domains equal in value to the total debt.
2. By a Treasury bond for the same amount issued by the Chief State Treasury Office.

Should the State guarantee this debt wholly or in part by the deposit, in agreement with the Bank, of other securities, the Bank must release the State domains from the charge corresponding to such securities.

The amount of currency notes issued for exchange of crown notes shall not be included in the Bank's statutory circulation.

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Temporary Provision VII.

The whole fiduciary circulation of the Bank shall be covered by the total metallic reserve together with foreign credits and other assets of the Bank.

Temporary Provision VIII.

The State's "temporary exchange" account with the National Bank of the Kingdom of Serbia shall be transferred as it stands to the books of the National Bank of the Kingdom of Yugoslavia.

The State debt on this account shall not be included in the statutory circulation.

Temporary Provision IX.

The State undertakes to keep the gold and foreign credits balance of the "temporary exchange" account, amounting to 300 million dinars, at the same figure so long as cash payment is suspended.

Temporary Provision X.

In view of the extraordinary requirements due partly to the war and partly to matters connected with the organisation of the new Kingdom—requirements which in the nature of things cannot be met out of normal resources—the National Bank shall open, in favour of the Minister of Finance, an extraordinary credit amounting to 500 million dinars in exchange for Treasury bonds.

In addition to the above-mentioned extraordinary credit, the National Bank shall open, in favour of the Minister of Finance, a further extraordinary credit of 1,500 million dinars.

Over and above the temporary exchange unsecured, 425,921,526.65 dinars shall be transferred to the same account, being the amount expended by the Minister of Finance from the deposit of crown-dinar notes in addition to the amount issued for redemption of crown notes.

The State undertakes to repay the National Bank the debt represented by this extraordinary credit within a period of ten years.

The currency notes issued on the basis of the above credit shall not be included in the Bank's statutory circulation, and the provisions of Article III of the Temporary Provisions shall apply to the cost of manufacturing such notes.

The State undertakes to guarantee the total amount of its debt arising out of the above-mentioned credit by a lien on its productive domains.

The aforesaid extraordinary credits constitute a State debt free of interest (Modif. 9. XII. 1920).

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Temporary Provision XII.

The exchange of currency notes of the National Bank of the Kingdom of Yugoslavia for coin of legal tender is suspended. Exchange of notes will be resumed as soon as general economic and financial circumstances in the country and the State of the Bank's gold reserve permit, subject to prior agreement between the Royal Government and the National Bank, and after legal sanction therefor has been granted. The National Bank may, however, even while this suspension is in force, exchange its currency notes for token coinage, subject to the agreement of the Minister of Commerce and Industry and the Minister of Finance.

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FINANCE LAW OF 1924-1925.

Article 286.

The Minister of Finance shall be authorised to mint and put into circulation :

(a) One million gold coins of 20 dinars, to the value of 20 million gold dinars and bearing the date 1924;

(b) Fifty million coins of 0.50 dinar to a total nominal value of 25 million dinars;
Seventy-five million coins of one dinar to a total nominal value of 75 million dinars;
and

Fifty million coins of two dinars to a total nominal value of 100 million dinars.

The Minister of Finance shall, with the approval of the Council of Ministers, decree the specific conditions governing the fineness, alloy, dimensions, inscriptions and all other features of the said coins.

The said currency shall be accepted as legal tender by all offices belonging to the State and autonomous bodies, and by all individuals and juridical persons. The Ministry of Finance shall issue regulations determining the other conditions applicable to it.

The costs of striking the said coins shall be deducted from the proceeds of the minting operations and the net receipts shall be credited to the Treasury as extraordinary State revenue.

The Minister of Finance may, with the approval of the Council of Ministers, conclude direct agreements with Mints or contracting firms for the minting of the coins provided for in the present Law.

Contracts, receipts, documents, letters and all work in connection with the said minting operations shall be exempt from all duties and taxes.

The gold belonging to the State which is held at the National Bank shall be used for the minting of the gold coins on condition that minted currency be returned to the Bank to an amount equivalent to that of the gold withdrawn.

The old nickel coins held in the safes of the Ministry of Finance may be melted down for the minting of the nickel currency.

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